Daily Report

Latin America

FBIS-LAT-88-212
Wednesday
2 November 1988

Daily Report
Latin America

FBIS-LAT-88-212 *2 November 1988*

CONTENTS

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form

CARIBBEAN

Cuba

More on Official Visit of Mexico's De la Madrid 1
Rodriguez Award Speech 1
De la Madrid Acceptance Speech 1
Discusses L.A. With Castro 4
Bilateral Relations Viewed 4
Wreath Laid at Marti Monument 4
Opens Benito Juarez House 5
Visits Benito Juarez Statue 5
Enterprise Committee With Mexico Begins Sessions 5
Mexican Graphics Exhibit Opens in Havana 5
Castro Meets With Zairian Special Adviser 5
Castro Holds Talks With Special Envoy From Iraq 6
Commentary Sees 'Gloomy Prospects' for Colombia 6
SELA, CEMA Discuss Trade Prospects 6
Minister Discusses Experiments in Enterprises 6
Central Committee Secretary at TU Congress 8
Crombet Closes Congress 8

Bahamas

Maynard Speaks on Foreign Affairs, Tourism 8

Grenada

British Private Sector Trade Mission Visits 9

Haiti

FADH Announces Resumption of Weapons Search 10
KID Denounces Arrest of Fort Dimanche Soldiers 10
Mobilization Against Avril Urged 10
Official Accused in Church Massacre Case 10
Macoutes Said Still Threatening Artibonite 12
'Bokors, Evildoers Uprooted' in Artibonite 12
Lachicotte Residents Seek Help Against 'Thugs' 12

Jamaica

Financing for Agricultural Recovery Announced 13

Trinidad and Tobago

Clashes Reported in House of Representatives 13

CENTRAL AMERICA

Costa Rica

Government Refuses To Remove Managua Envoy 15
Economy Minister on Inflation, Growth Rate, GNP 15
Central Bank Announces Devaluation of Colon *[LA REPUBLICA 27 Oct]* 15

El Salvador

FMLN Guerrillas Hit National Guard Garrison 15
16 Guardsmen Wounded 16
National Guard Director Wounded 16
FMLN Claims Credit *[Venceremos]* 16
Coprefa Reports Attack Toll 16
Ponce Discusses Attack 17
Gen Blandon Discusses Military Changes 18
Ponce on New Assignment; FMLN 18
Armed Forces Reports on FMLN Actions 19
Coprefa Reports Murder of Nueva Granada Mayor 20
Radio Venceremos Reports FMLN Battle Actions 20
17-27 Oct Actions *[Venceremos]* 20
23-30 Oct Actions *[Venceremos]* 20
FMLN Reports Clashes, 6 Army Casualties *[Farabundo Marti]* 21

Honduras

Nicaraguan Reports on Border Attacks Rejected *[ACAN]* 21
Repatriation of Salvadoran Refugees Postponed *[EL HERALDO 29 Oct]* 21

Nicaragua

Cease-Fire Minimized by EPS Indian Bombing *[San Jose]* 22
Radio Corporacion Suspended 22
New Contra Group To Present Peace Proposal *[EFE]* 22
Contras Reportedly Ambush Civilians *[BARRICADA 30 Oct]* 22
Presidency Reports Amount of International Aid 23
USSR Sends 17 Tons of Aid *[BARRICADA 30 Oct]* 23
Soviet 'Solidarity Aid' Arrives 23
EEC Donates Rice 23
Hungarian National Assembly Delegation Visits 24
PLI Elects New Party Leaders at Assembly 24
* Economic Reform Strains Discussed 24
Sandinist Power Threatened *[BARRICADA 20 Sep]* 24
Price 'Madness' *[BARRICADA 20 Sep]* 25
Ranchers, Vendors Scored *[BARRICADA 27 Sep]* 26

Panama

Participation in U.S. Base Incident Denied 27
U.S. Maneuvers Reportedly Not Coordinated 27
Columnist on U.S. 'Failure' To Oust Noriega *[LA REPUBLICA 31 Oct]* 27
FMLN's Villalobos on Need for L.A. Support 28
FUP Considers Withdrawing From Commission *[MEDIODIA 31 Oct]* 29
Report on Rising Unemployment, GNP Decline 29
PCC Representative Protests Violations 29
Editorial Criticizes Group of Eight Position *[CRITICA 31 Oct]* 30
Opposition Parties To Participate in Elections 30
Opposition Party Leader on Talks in Venezuela 30
Labor Union Protests Attachment Measure *[LA ESTRELLA DE PANAMA 30 Oct]* 31
Revolutionary Groups Express Support *[CRITICA 31 Oct]* 31
15,000 Tons of Unsold Sugar Sent to France *[MATUTINO 27 Oct]* 32

SOUTH AMERICA

Argentina

Alfonsin To Visit Italy, FRG in November 33
Caputo Says Falklands Negotiations 'Must Begin' 33
Fishing Agreement With Soviet Union Renewed *[CLARIN 31 Oct]* 33
Radioactive Contamination of Water Denied 33
Chilean Plane Returns; Espionage Ruled Out 34
Air Force Plane Taking Aid Nicaragua Returns 34

Brazil

Talks Held With Soviet Officials on Trade 34
Chamber of Deputies Vice President Appointed 34
* Sarney Said Reluctant To Cut Incentives *[ISTOE 14 Sep]* 34
Record Discount on Foreign Debt Conversion *[FOLHA DE SAO PAULO 28 Oct]* 36
New Basic, Minimum Reference Salaries Approved 36

Chile

PDC's Aylwin Refutes Pinochet's Charges *[TELAM]* 36
Attorney General Accuses Communist Party, FPMR *[EL MERCURIO 26 Oct]* 37
PRCh Says Group of 8 Supports Opposition *[EFE]* 37
Police Arrest Journalist; Another Sentenced *[FORTIN MAPOCHO 27 Oct]* 38
APSI Journalist Sentenced *[FORTIN MAPOCHO 27 Oct]* 38
Peruvian Fishing Boats Captured, Released *[LA TERCERA DE LA HORA 27 Oct]* 38
Soviet Fishing Vessel To Arrive in Valparaiso 39

Colombia

CUT President Resigns Following Strike *[EFE]* 39
Government Buys Military Goods From 3 Nations 39
Two More Patriotic Union Leaders Killed *[DPA]* 39
11 Soldiers Killed in FARC Ambush in Meta 40
Rebels Sabotage Trans-Andean Oil Pipeline 40
Rebels Sabotage Energy System in Atlantic Region 40

Uruguay

Sanguinetti, Others Depart for PRC, Hong Kong 40
Uruguayan Woman Reported Missing in Paraguay 40

Venezuela

* Debt, Lack of Foreign Exchange Slow Growth *[EL DIARIO DE CARACAS 12 Sep]* 41
* Serious Economic Problems Expected in 1989 *[EL UNIVERSAL 14 Sep]* 41
'Massacre' of Alleged Guerrillas Questioned *[Bogota TV]* 43

Cuba

More on Official Visit of Mexico's De la Madrid

Rodriguez Award Speech

FL0111133088 Havana Tele-Rebelde Network in Spanish 0132 GMT 1 Nov 88

[Speech by Carlos Rafael Rodriguez, vice president of the Council of State, at a ceremony conferring the Jose Marti Order on Mexican President Miguel de la Madrid at the Palace of the Revolution in Havana on 31 October—live]

[Text] Dear Comrade Fidel Castro, highly esteemed President De la Madrid, gentlemen of the Mexican delegation, comrades: Among the many signs and banners that greeted the arrival of President De la Madrid and his companions today as they passed through Havana's streets was a statement made by Jose Marti, with such splendour: I love Mexico as I love Cuba.

That splendour has been growing with time. In this America of ours, where everything converges to unity, the friendship between Cuba and Mexico does not yield to any other. During the course of a history filled with heroisms and also bitter dilemmas, the Mexican and Cuban peoples have always found a home and affection on either side of the Gulf. Juarez and Marti are the best examples. Among positivist philosophers and romantic poets, the awareness of Jose Marti matured and a few years later, it awakened with shock toward that other land—which he called the brutal and mixed-up North—that he encountered while in search of democracy and hope.

The Mexican victory against the French invader served as an incentive to those in Cuba who wanted to free themselves from colonization several times during the century. The historic Article 27 of the Mexican Constitution inspired among us more than a battle; the nationalization of oil by Lazaro Cardenas was lived as our own battle. Fidel arrived here from Mexico with the members of his "Granma" expedition to carry out the definitive liberation of Cuba.

Therefore, that is why it did not seem strange when—to the shame of Latin America and the Caribbean—a group of governments, of which we no longer have the slightest memory, did not have the courage to stand up to the dictates of the imperialists. It was Mexico, solitary and magnificient, that rejected the imposition and respected the right of Cubans to have a social system that its people had decided on, and it maintained, with equality and respect, its relations with a Cuba that had become socialist.

President De La Madrid, our people welcome you as the personification of that Mexico we learned to love for many reasons. Nothing expresses better the understanding between our countries—not excluding the explainable differences—than the presidential visits initiated by Mr Luis Echeverria and by you, which constitute a very important milestone. As a matter of fact, this is not your first official visit to Cuba.

We recall that you visited us when you were the planning and budget secretary. At that time we all saw in you the future Mexican presidential candidate. The meeting with President Fidel Castro then was a preview of what Mexican-Cuban relations would be like during your presidential term. In effect, never in our common history did economic ties progress so much between our two countries. In science and technology, tens of thousands of agreements with a shared purpose unite Cuban and Mexican researchers. The figures of our foreign trade are the highest and most diversified of any time. Bank credit has fulfilled its function of stimulating the economy.

Mexico and Cuba, each from their own perspective, have agreed at international forums without discrepancies to separate us. Cuba supported the firm Mexican attitude in the Contadora Group and lauded its unifying gesture in the Group of Eight. The integration of Latin America is an aspiration which we share, as we also share the economic vicissitudes that hit all the countries in the region.

In the midst of complex circumstances, President De la Madrid, you, loyal to Mexican dignity, did not vacillate in supporting those friendly relations with Cuba and rejected the international attacks that attempted to diminish us. Those were the same principles that, in other aspects of its foreign policy, led Mexico to resist pressures and repudiate ideas incompatible with Mexican national sovereignty.

Cuba has received you today as a representative of that friendship and keeper of those principles, President Miguel de la Madrid, and bestows upon you its highest order, which will be pinned on you by President Fidel Castro. Once again, Jose Marti serves as the link between our two countries. [applause]

De la Madrid Acceptance Speech

FL0111212988 Havana Tele-Rebelde Network in Spanish 0138 GMT 1 Nov 88

[Speech by Mexican President Miguel de la Madrid during a ceremony awarding him the Jose Marti Order, held at Havana's Palace of Conventions—live]

[Text] Mr Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers of the Republic of Cuba, ladies and gentlemen: On behalf of Mexico, I express my appreciation for the warm welcome the generous Cuban people have given me. The

numerous signs of esteem we have received show that in Cuba, as in Mexico, there is a clear awareness that our fertile friendship is an example for Latin America and the world.

Our links are rooted in a history of several centuries. Our similarities hardly need to be mentioned because they are obvious. We speak the same language. We share a border through a common sea. We share the common area of the Caribbean Sea, in which there has been an intense, natural flow of men, ideas, and goods. It is true that for many nations of the world borders and being neighbors result in becoming distanced and cause conflicts. However, for us our ties have been truly binding and have provided an atmosphere favoring creative friendship.

Our history is full of reciprocal influences and overflows with similarities. Our popular artists know this deep truth, perhaps better than anyone else. Our heroes also took this truth into account at the time Juarez arrived in these lands and Jose Marti brilliantly passed through my fatherland. It was deep faith in that truth that led a small group of courageous men to choose Mexico as the nest of their dreams of justice and its coasts as a point of departure to write several of the most surprising pages of American history.

The Cuban people's intelligence and heroism have been great in the task of building the new nation. Their energy, courage, and faith were also great as they resisted difficult periods of besiege and isolation. Mexico—we are proud of it—did not join any boycott or blockade action. The behavior of the revolutionary governments of my country was not and is not a result of an individual or whimsical decision. It emerges from the rigorous adherence to a policy of principles, which is also the best expression of our will to survive since we have also been victims of similar harassment and attacks in other times and other circumstances. It results from a thorough dialogue between two revolutions, which in order to be legitimate need not be identical but purely and simply to have the support of its peoples.

However, it is not enough to express solidarity in difficult times for a relationship to be truly rich. It is also necessary to have reciprocal cooperation in times of constructive peace. In this area, it is very pleasing to see the extraordinary level of maturity and diversification our exchanges have reached through many years of uninterrupted and increasing cooperation.

During the term of my government, I decided to continue nurturing this exemplary relationship with Cuba, serenely, without haste or stridency, but solidly. With the same will of your government, Mr President Castro, many Mexicans and Cubans have worked very hard over these years. We can now notice considerable progress within the framework of our cooperation.

In the area of culture and education, an increasing academic exchange between our higher education institutions can be noted, a greater number of scholarship holders, a more robust information flow, and more frequent meetings between artists and cultural workers. Every day in Mexican or Cuban territory, multiple festivals, expositions, displays, and shows enrich our mutual knowledge in such fields as literature, painting, music, theater, dance, film, and many others. Of the scientific and technical cooperation agreements Mexico has with many countries, the one with Cuba reaches one of the highest levels of fulfillment. To this, we have to add our cooperation in such areas as social welfare and medicine, matters related to housing, livestock-agricultural aspects, and, especially, our exchange in matters related to sugar research, oil technical assistance, and the fishery agreement.

Regarding trade, we acknowledge the need to increase Mexican purchases to reduce the current unequal trade balance. We should also take into account that the Mexican Government has broadened considerably the amount of trade financing required by Cuba; thus, the current line of credit is 20 times higher than the one existing in 1982.

It can be said that in the last few years, we have fine-tuned the mechanisms of our good relations and diversified their expression. Today, our task of enumerating them shows good results. Undoubtedly, the most important thing lies in the fact that our bilateral relations have reached a high level of maturity and have become institutionalized, thus guaranteeing continuity and the possibility of aiming at new destinations and higher goals.

These bilateral successes are complemented by broad agreement in international affairs. Our votes in multilateral forums prove this. Recently, as the participation of developing countries has become a majority in such forums, there has been a tendency on the part of other countries to diminish their importance and underestimate the role they are called upon to fulfill in the common search of a universal order. Faced with this, Cuba and Mexico share the interest of modernizing and strengthening international organizations and the will for these forums to be a place where decisions and viable and reasonable commitments are made.

As with Cuba, Mexico maintains the need to carry out a serious revision of the current international economic system. Imbalances in trade terms; the serious beating taken by prices of raw materials; unjust increases in interest rates, which makes the foreign debt a very serious burden; the appearance of new trade protectionism; and dubious barriers that block technological progress are some of the main negative aspects of the contemporary economic situation. It is essential to correct it if we want to guarantee that our countries are not confined to fulfilling a badly concealed modern version of the secondary role that has been assigned to us in the international division of labor since colonial times.

We both condemn the shameful apartheid system practiced by South Africa and support Namibia's right to achieve its independence and complete sovereignty. Argentina should also have complete sovereignty over the Malvinas Islands. In the case of Panama, in accordance with legally signed treaties, sovereignty of the Panama Canal should become a reality for the benefit of Panamanians. We also share the hope that the Chilean people completely recover the road to their democratic life.

Mexico, together with Argentina, Greece, India, Sweden, and Tanzania, put forth a peace and disarmament initiative in an effort to contribute to the total elimination of nuclear arsenals. Because of this, we welcome with hope the agreement reached between the United States and the Soviet Union for the elimination of their short- and intermediate-range nuclear missiles. This is the first time the two major nuclear powers have agreed to destroy a weapons system already in operation. This is an enormously important step but it is insufficient. It should be accompanied by similar actions extending to arms of greater reach and destructive power. The nuclearization of outer space has to be prevented. It is essential to reach similar agreements on conventional weapons. And finally, the climate of detente should be reflected in all international relations and thus contribute to the solution of regional conflicts.

Likewise, it is vital that the funds freed from nuclear armaments be used for development, to fulfill the essential needs of the enormous part of mankind that does not have access to the most basic necessities an honorable life requires. Only by filling this enormous social void can an authentic atmosphere of international detente be created. The resources rescued from instruments of death should be channeled to the creation of means for life. Disarmament is a matter that affects the survival of the entire world. Therefore, it interests us all. If over a long period of time, the lack of communication between the superpowers caused universal concern, it is important that the dialogue that has now been reestablished favor, as Mexican diplomacy has sustained, the strengthening of forums that bring together voices of all nations within a framework of international equality and democracy.

Regarding the Central American conflict, my government committed itself to persevere in the struggle for peace. Over these years, the work of the Contadora Group, backed later by the Support Group, filled a dangerous void by displaying an untiring diplomatic action to always leave open the road of civilized unity faced with the risk of a war. In the midst of an unfavorable atmosphere, we kept alive the efforts of consultation and mediation to save the alternatives of a peaceful solution. Today, we continue cooperating with the Central American governments in their complex passage to a regional understanding.

We have not stopped noting that in order to reach a stable and true peace it is necessary to tackle the deepest causes of the region's instability, which should not correspond to the so-called East-West conflict but to the abysmal socioeconomic backwardness burdening it.

Because of this, together with the peace efforts, we participated in actions aimed at stimulating the international community's cooperation with Central America and we have organized, despite our own limitations, cooperation and assistance programs.

Mr President, ladies and gentlemen, I have come here from the city of Punta del Este, Uruguay, where the Latin American heads of state who are members of the permanent mechanism of consultation and political accord have met. This is the largest and most organized effort of strictly Latin American political communication held to date. The governments composing it are confident of its durability and the productivity of the tasks it has set forth. To accomplish our first objective, we agreed to hold at least an annual meeting among chiefs of state. Regarding the second, we have a large agenda which reflects the vital interests of our region. This agenda reflects our concern over peace and development and the areas in which we are behind—in nutrition, education, health, housing, and the production infrastructure. The way in which the foreign debt hinders our development and threatens our democracies is denounced as well as the way in which the control of advanced technologies can create, if we do not fight against it, new forms of dependence. The agenda includes the vindication of our historic heritage and the originality of our cultural creation, and our demands for more democracy in the political area and more freedom and justice in the social area. Our claim to greater participation in the world economy and the usefulness of a joint dialogue with other groups of countries and regions of the planet is also included.

In sum, it is a catalogue of our problems and common ways to solve them. But above all, it constitutes the higher goal we set ourselves in contributing consistently to the Latin American and Caribbean integration process to ensure that our voice, until it begins to be one voice, is at least a democratic and progressive chorus.

You, Mr President Castro, with the invitation the Group extended from Acapulco to the leaders of Latin America and the Caribbean, assumed the renewed commitment to integration and cooperation for development aimed at achieving a true community of all our nations. By so doing, you stressed that it is not the time to look at our differences but to confirm our common views. As you can see, Mr President, many are the fields of similarities and very broad are the ways in which Mexico and Cuba cooperate. Our relations have been exemplary. We come from two large social movements which, as every authentic revolution responds to its specific circumstances and challenges, are original and, therefore, creative.

The consolidation of their economic and political independence is important for the two countries in order to face the new challenges according to the formulas which define freely our nations and the full use of their resources and capabilities.

We Mexicans vow, for future years, to bring Latin America and Cuba closer together and to reincorporate this brother country into inter-American organizations. In speaking of our friendship, I cannot stop expressing to you, Mr President Castro, and through you to all the Cuban people, the deep recognition of the Mexicans for the immediate and generous expression of solidarity extended to us in the aftermath of the earthquakes that battered Mexico and bereaved our people in September 1985.

Likewise, in receiving the decoration conferred on me, I say I accept it. I only accept it on behalf of the people of Mexico who are the true players in this show of Latin American patriotism that is our fraternal relations. Only 2 months away from the date the Cuban revolution marks 30 years of triumph, allow me, Mr President, to be the first one to congratulate you in the name of my country and reiterate to you that if in the past pressures did not subdue us, nobody will be able to damage our friendship in the future. Our friendship is based on Marti's call to awaken the enormous potential of our America and the call made by Juarez to respect the right of others as a formula for peace. Thank you very much. [applause]

Discusses L.A. With Castro

FL0111141388 Havana Tele-Rebelde Network in Spanish 1200 GMT 1 Nov 88

[Text] The heads of state of Cuba and Mexico, Commander in Chief Fidel Castro and Lic Miguel de la Madrid, respectively, have held official talks at the Palace of Conventions.

Castro stressed to the visiting delegation the importance Cuba places on relations with Mexico, in particular, the Mexican president's visit to our country.

The Mexican leader gave a detailed briefing on the results of the Group of Eight meeting, which just concluded in Punta del Este, Uruguay. With regard to this subject, the two presidents exchanged ideas on the Group of Eight's prospects.

The presidents had a rich and productive dialogue on the economic, political, and social problems of Latin America and the Caribbean, emphasizing the growing awareness of concerted efforts.

Bilateral Relations Viewed

FL0111145588 Havana Radio Progreso Network in Spanish 1200 GMT 1 Nov 88

[Text] President Fidel Castro last night decorated the Mexican head of state, Miguel de la Madrid, with the Jose Marti Order.

Speeches were made by the distinguished visitor and Vice President Carlos Rafael Rodriguez during the warm ceremony presenting De la Madrid with the highest decoration bestowed by the Cuban state.

During their speeches, it was stated that despite understandable differences, the ties between Mexico and Cuba are strong, exemplary, and based on an institutionality that allows the attainment of higher goals in bilateral cooperation.

The two countries agreed on a diagnosis of and proposed solutions to the economic crisis that affects developing nations. They also reached understandings from an international political point of view despite explainable differences and without discrepancies separating the two nations.

After the ceremony, Fidel and De la Madrid spoke all night long with several guests invited to a gala dinner at the Palace of the Revolution. The event was attended by political leaders, the diplomatic corps, and intellectuals, including Gabriel Garcia Marquez, winner of the Nobel Prize for literature.

Official talks began in the afternoon and they were headed by Fidel and De la Madrid.

The chief of the Cuban revolution expressed to the Mexican president our people's profound recognition of his visit, which he described as being a great honor. Fidel also said that relations between the two countries have been exemplary during the past 30 years and he stressed Cuba's permanent recognition of Mexico's position toward our revolution.

For his part, the Mexican president stressed the high level of communication and cooperation attained by the two countries. At the same time, De la Madrid cited the progress made during the past few years in the economic, technical, and cultural spheres. He added that the road to expanding this cooperation is open and Mexico's disposition toward Cuba will always be positive and constructive.

The Mexican president later extensively described the presidential meeting of the Group of Eight. Among the most important aspects discussed at the Punta del Este summit, De la Madrid mentioned the agreement to continue supporting the process of political negotiations in Central America. He also acknowledged that the most important thing is to confront the very difficult economic situation of the region, including the foreign debt, which is a dramatic obstacle for development. Another point examined by the Group of Eight, said De la Madrid, was the need to continue working toward integration.

The Mexican president arrived in our country yesterday afternoon and he received a warm welcome from our people and Cuba's highest authorities.

Wreath Laid at Marti Monument

FL0111143988 Havana Tele-Rebelde Network in Spanish 1200 GMT 1 Nov 88

[Text] The president of the United Mexican States, Lic Miguel de la Madrid Hurtado, placed a floral wreath at the Jose Marti Monument in Havana's Revolution Square.

The distinguished guest was accompanied by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, and Vilma Espin, member of the Council of State, as well as Isidoro Malmierca, foreign minister, and officials of the Mexican Embassy in Cuba.

Opens Benito Juarez House

FL0111221888 Havana Tele-Rebelde Network in Spanish 1800 GMT 1 Nov 88

[Text] Mexican President Miguel de la Madrid, accompanied by our Commander in Chief Fidel Castro, has inaugurated the house of the distinguished man of the Americas, Benito Juarez, located at Mercaderes and Obra Pia Streets in Habana Vieja. Fidel and De la Madrid toured the rooms of the colonial building. Objects, ceramics, rugs, and reproductions of works of arts are exhibited here. They were donated by the Mexican people, cultural personalities, and government. The two chiefs of state admired each detail of the installation. They were accompanied by city historian Eusebio Leal.

At the end of the tour, the national concert band entertained the visitors with a selection of the most widely-known Mexican pieces.

The Distinguished Benito Juarez House is a homage to the leader of the Mexican reform and is one more friendship link between the brother peoples of Mexico and Cuba.

Visits Benito Juarez Statue

FL0211021088 Havana Television Service in Spanish 0100 GMT 2 Nov 88

[Text] On the 2d day of his stay in Cuba, Lic Miguel de la Madrid Hurtado, president of the United Mexican States, visited the statue of Benito Juarez located in the Park of Fraternity in the environs of Old Havana.

Dr Carlos Rafael Rodriguez, vice president of the Council of State, and other government leaders of our country accompanied the Mexican official.

Lic Miguel de la Madrid arrived in Cuba yesterday on an official and friendship visit.

Enterprise Committee With Mexico Begins Sessions

FL0111222288 Havana Radio Reloj Network in Spanish 2046 GMT 1 Nov 88

[Text] The eighth plenary session of the Cuba-Mexico enterprise committee constitutes an important contribution to the development of trade relations between the two countries. The meeting has begun in this capital and is being attended by more than 100 businessmen from the two countries.

The participants in the plenary session, which will be closed tomorrow by Mexican President Miguel de la Madrid, expressed their conviction that Cuba and Mexico must head regional integration efforts and find reciprocal solutions to common economic problems. The possibility of expanding bilateral cooperation in the field of tourism, as well as in construction materials, light, basic, electronics, and sugar industries was also noted. Cuba currently exports to Mexico scrap iron, rum, tobacco, marble, and nickel, and is beginning to develop new lines in by-products, biotechnology products, textiles, and computer equipment.

Mexican Graphics Exhibit Opens in Havana

FL0211025488 Havana Television Service in Spanish 0100 GMT 2 Nov 88

[Text] The Contemporary Mexican Graphics Exhibit was inaugurated today at the Palace of Fine Arts in Havana. The opening was attended by Armando Hart Davalos, culture minister of Cuba; Ignacio Valle Fernandez, Mexican ambassador to Cuba; and members of the Mexican delegation which is visiting us.

[Begin recording of unidentified speaker] Mexico and its culture can and will render appropriate service to the definitive cause of freedom, democracy, and justice in this continent to which Juarez and Marti call us. [applause] [end recording]

The exhibit, sponsored by Lic Miguel del la Madrid Hurtado, constitutional president of the United Mexican States, includes important objects of today's Mexican plastic [arts] that will certainly permit the greatest enjoyment by our public.

Various technical trends in graphics and particular ways of dealing with creativity are shown here to make contemporary Mexican graphics—besides a solid bridge of fraternal cooperation—a significant cultural event for both nations.

Castro Meets With Zairian Special Adviser

FL3110135288 Havana Radio Progreso Network in Spanish 1200 GMT 31 Oct 88

[Text] Commander in Chief Fidel Castro yesterday received Mr Nkeman Liloo, special adviser for defense and security matters of the Republic of Zaire. The visitor conveyed a message from Zairian President Mobutu Sese Seko.

The special adviser was accompanied by Mobutu Nyiwa, secretary of state for cooperation, and Simba Ndombe, Zairian ambassador to Cuba.

PCC Central Committee Secretary Carlos Aldana, Foreign Minister Isidoro Malmierca, and Vice Foreign Minister Giraldo Mazola, represented Cuba at the meeting.

Castro Holds Talks With Special Envoy From Iraq

FL3110165788 Havana Tele-Rebelde Network in Spanish 1200 GMT 31 Oct 88

[Text] Commander in Chief Fidel Castro, president of the Cuban Councils of State and Ministers, has met Ambassador (Arshad Isma'il), special envoy from Iraq. Mr (Isma'il) delivered a message to Comrade Fidel on behalf of President Saddam Husayn. The meeting took place in a friendly atmosphere and they discussed topics of mutual interest. Mr (Isma'il) was Iraq's ambassador to Cuba for many years.

Commentary Sees 'Gloomy Prospects' for Colombia

PA3010040888 Havana International Service in Spanish 0000 GMT 29 Oct 88

["Our America" commentary, read by Miguel de la Guardia]

[Text] Despite severe press censorship, Colombian workers have held a general strike to demand wage increases. The Colombian Government declared the strike illegal. The workers also demanded that the prices of staple items be frozen and that the massacres that have taken place throughout the country end.

Because efforts to reach an agreement with the authorities on such important demands were unsuccessful, the Colombian unions decided to call a strike to solve their members' problems.

The situation that led to the strike is very complex. The government repression seems to be confirming the opinion of certain segments that contend the Colombian democratic system is deteriorating.

Those segments pointed to the drastic measures taken recently by the government against the strikers. The government declared the labor unions participating in the strike illegal and imprisoned the labor leaders who promoted it.

As a result, approximately 1,000 labor leaders were arrested and a curfew was established in several Colombian cities. The government also tried to reduce the effectiveness of the strike through other means. However, the strike took place throughout most of the country.

We must recall that shortly before the strike began, ultrarightist businessmen had asked the Colombian authorities to handle the strike as a war situation. That request was intended to militarize all businesses and to put workers under the Army's authority, although in practice the authorities did not go to those extremes.

The unions, however, repeatedly said the country's current situation forced them to call for periodic forceful measures, especially because—in their words—the government refuses to meet their demands.

We must recall that the actions of paramilitary groups and heavily armed drug traffickers must be added to the labor unrest in Colombia. For all those reasons, we are beginning to see very gloomy prospects for Colombia.

SELA, CEMA Discuss Trade Prospects

FL0111172788 Havana Television Service in Spanish 0100 GMT 1 Nov 88

[Text] In honor of the 25th anniversary of the founding of the Chamber of Commerce of the Republic of Cuba, a roundtable meeting was held today in this capital's Palace of Conventions to discuss the possibilities for Latin American foreign trade. SELA and CEMA delegates attended the meeting.

The fundamental objective of this meeting was the reaching of a successful agreement based on criteria in the interest of promoting joint actions.

During the session presided over by Julio Garcia Oliveras, president of the Chamber of Commerce of the Republic of Cuba, the delegates decided to develop a new phase in international economic relations based on the prospects for more balanced and stable participation, and a more uniform treaty.

The delegates at the meeting were from CEMA member nations, as well as representatives from societies and chambers of commerce from Argentina, Colombia, Uruguay, Mexico, Venezuela, Nicaragua, Spain, the People's Republic of China, and the Republic of Cape Verde.

At the meeting, the Cuban delegation stated the need to have a forum that would gather representatives from chambers of commerce with the objective of organizing meetings, exchanging information, and studying initiatives that would permit the development of cooperation in the field of commerce.

Cuba suggested that the meeting take place during the celebrations marking the sixth international Havana fair. The delegates made many suggestions, but, with respect to the international economic situation, they all agreed on the need to expand commercial relations, establish trade without intermediaries, and promote realistic ways to achieve a growing commercial development of Latin American and CEMA countries.

Minister Discusses Experiments in Enterprises

FL2710214788 Havana Radio Rebelde Network in Spanish 0027 GMT 27 Oct 88

[Interview with Francisco Linares Calvo, minister president of the State Committee for Labor and Social Security, by Felix Fernando Garrido and host Daniel Torres for the "Exclusivo" program on 26 October—live]

[Text] [Garrido] Good evening, Comrade Linares.

[Linares] Good evening, Comrade Garrido, Comrade Daniel, and the audience of Radio Rebelde.

[Torres] Good evening, Minister.

[Garrido] Daniel, as you so accurately announced, the object of our conversation with Comrade Franciso Linares Calvo will be to discuss the issues he deals with in his job at the State Committee which, as you said, is carrying out some experiments in approximately 100 enterprises in our country. He will now speak to us about that.

[Linares] I think that out of all the activities the State Committee for Labor and Social Security is involved in right now, we can say the most important ones are the experiments that are being done in 120 enterprises of various economic sectors in the country. We are carrying out some experimentation in those enterprises; we are trying to change some of the things that have been criticized and that, within the process of rectification we are carrying out, must be changed in the future. The principal method we are using is the development of the experiments in these enterprises, and then the extension of their application to the other sectors of the economy and enterprises. As an example, we can note three very important areas that are already showing results.

One example is the application of a new concept for the promotion list. This has been a concern of the workers, especially of the young ones; it was even evident at the congress of the Union of Young Communists. What does the new concept for the promotion list consist of? First of all, qualifications are the first priority. The new concept takes into account proven skills and attitude toward work in establishing a greater right to a job, and determining promotions for workers. It used to be, and still is, the case that workers were promoted based on length of service, on how long they have been at the work center. That is one aspect of it.

The other aspect deals with the job descriptions [calificadores de cargo] we are using. There are a great number of job descriptions and few workers to fill all of them. All our comrades know that there has been serious criticism about the great number of duties delineated under the job descriptions that we have. There has been criticism of the great number of duties and the shortage of workers fitting the job descriptions, which often does not permit a worker to be busy the full 8-hour working day. Presently, these job descriptions, for both laborers and technicians, include 14,500 duties. We have already studied 4,600 duties in the experiments we are carrying out. We could even decrease these duties to 1,640. This would mean a total reduction of duties by 65 percent. As I was saying before, this will permit the worker to be occupied the full 8-hour working day. It will also allow several jobs to be done which are currently not being (?done).

As for standards, it is a very important task for us, and one that has really been seriously criticized. We could even say that in recent years, it was ignored quite a bit in the enterprises and organizations. We are now trying, especially in those enterprises, to incorporate competent personnel in the work of standards. It is precisely because of the neglect of recent years that unqualified, and sometimes unsuitable, personnel ended up working on standards. We must improve the quality of standards. We have not made much progress in quality and this has prevented us from advancing. For example, over 90 percent of the standards that currently exist in the country are basic standards. In other words, we have not even been able to propose some type of semi-technical, much less technical, standards. We are also determined to reduce the excessive number of standards we currently have. Right now, there are 3.088 million standards in the country. However, with the work that we are now carrying out in the enterprises and with studies of the current standards for the various fields, we have already been able to reduce the number by 550,000 standards.

This means that in the future we could probably reduce the number of standards to approximately 1 million, or maybe even less, and this will facilitate all work dealing with standards.

[Torres] Comrade Minister and Garrido, please excuse me, both of you, but I have a phone call from a listener. Frankly, we have had several calls these days, since people knew we were going to speak with the minister of the State Committee for Labor and Social Security. These calls have been in regard to a rumor about a proposed lower retirement age. I would like for Comrade Franciso Linares Calvo to confirm or deny this.

[Garrido] Of course, we'll do that for you now, Daniel.

[Linares] Well, it is not true that we are considering a decrease in the retirement age—not for men or women. We are not doing any studies on that. As a matter of fact, Cuba is among the countries with one of the lowest retirement ages; nevertheless, it is one of the countries with the highest life expectancy rates, namely, 74 years. Life expectancy is also expected to rise to 84 by the year 2000, as has been recently reported by the Ministry of Public Health.

To give you an example, we can talk about the retirement age in some countries. In Japan, the retirement age is 65 for both men and women; there is no difference. In Canada, the age is also 65. In the United States it's also 65 for both men and women. This is also true in Spain. In Mexico it's also 65 years for men and women. In Switzerland, well, it's 65 for men and 62 for women. There are other countries such as the USSR, Argentina, and Venezuela, for example, that are just like Cuba with a retirement age of 60 for men and 55 for women. Therefore, there is really no reason for us to think that we are going to reduce the retirement age at this time.

[Garrido] It's clear, Daniel, that this has only been a rumor, and Linares has now clarified the situation.

[Torres] Yes, I understand that clearly. The retirement age for men is 60 and 55 for women. This age has been confirmed.

[Garrido] Exactly. Now I would like to take the opportunity, Comrade Linares, to discuss the level of salaries between groups two and three. Some workers are curious about how this is being managed, how the study on salaries is being conducted for groups two and three. Can you give us an example that will illustrate this matter?

[Linares] The policy set forth by party and government leaders allows for the increase of the lowest salaries among workers, based on the country's capabilities. As the salaries of group two on the pay scale improved, their wages came closer to the salaries of group three, which is what I assume is causing the concern.

[Garrido] Yes, some workers who earned 85 pesos now earn 100 pesos, which means they are now earning close to the what the other workers earn, 112 or 118 pesos.

[Linares] It's not exactly like that. Those who made 85 pesos and are now making 100 pesos are not close to group three salaries because group two salaries (?end) at 106 pesos and because of this, group three salaries were raised to 118 or 117 pesos. This group is getting close to those who earn 121.98 pesos. [all figures as heard]

The difference and the concern over this is being expressed by group two in reference to group three's earnings. Group two earns 118 pesos, which is primarily earned by the assistants, and group three, which includes some operators, earns 121.98 pesos.

[Garrido] There is no similarity between the wages of groups one and two. The closeness appears between groups two and three.

[Linares] Yes, between groups two and three. The salary difference is really very little. We are now studying this problem and this inconsistency.

[Garrido] In conclusion, I would like to ask if you have any activity that is under development within the committee on which you could give us an exclusive report.

[Linares] We are currently working on many things. Something that might be of interest to you that will soon become effective concerns rehabilitation of workers.

The rehabilitation consists of applying labor disciplinary measures that have been imposed upon the worker, as long as no new violations of labor discipline occur. The terms will be established for this. We are working on setting up a time period for each measure based on the seriousness of the act of indiscipline committed. It will even apply to the least serious acts, such as private or public disturbances, and the worker can even be transferred somewhere else or permanently separated from his job.

The application of the labor sentence, the resolution, sentence, or any other document that pertains to disciplinary measures does not imply that the worker's rights will be restored. For example, he may not be returned to his previous position.

The intent is to give him an opportunity to keep his labor record clean of sanctions due to indiscipline. His correct labor conduct maintained prior to the acts that required disciplinary actions will also be recognized by society and the collective in which he works.

Central Committee Secretary at TU Congress

FL2910034188 Havana Television Service in Spanish 0100 GMT 29 Oct 88

[Text] With their power and strength, the people are the most capable of counteracting antisocial attitudes and the activities of the enemy, said Pedro Ross, secretary of the PCC Central Committee, during the Third Congress of the National Trade Union of Merchant Marine and Port Workers, which began today at the CTC [Central Organization of Cuban Trade Unions].

The delegates said that some people use fishing tackle or catch fish in an indiscriminate manner. They discussed the need to revitalize emulation and strengthen our shipyards to save income.

The debate included an analysis of subjective difficulties that counteract efficiency and production and in each case new solutions were found to old problems.

Crombet Closes Congress

FL3110144088 Havana Radio Progreso Network in Spanish 1200 GMT 31 Oct 88

[Text] The Third Congress of the National Union of Merchant Marine and Port Workers has ended in Havana. PCC Central Committee Secretary Jaime Crombet gave the closing speech. He said that as long as the workers are not an active factor, not only in discussions, but also in the control of costs, this will be a battle that has yet to be won.

Bahamas

Maynard Speaks on Foreign Affairs, Tourism

FL2810173188 Nassau Domestic Service in English 1200 GMT 28 Oct 88

[Text] Reviewing many successes of the Bahamian economy under the government and leadership of Prime Minister Pindling, Deputy Prime Minister Maynard concluded that Bahamians are better off economically than 20 years ago and prospects are getting better. Minister Maynard outlined development trends in the area of tourism and said with the increase in flights from international destinations to the Bahamas, 1987 [as heard] promises to be a great year for the country.

Turning to foreign affairs, Minister Maynard said that government intends to eradicate drug trafficking and drug abuse and when it is all finished Bahamian sovereignty must remain intact. The minister declared that the Bahamas will become more active in the affairs of the United Nations.

[Begin Maynard recording] The Bahamas is committed to the principle of self-determination for all people. We cannot and will not surrender that principle. That is a principle deeply imbedded in the foundation of the Bahamian nation. It was this principle that motivated our prime minister and its intrepid delegation to vote at the United Nations in 1965 and 1966 to appeal to the UN Committee of 24 on colonialism. We believe in the freedom and dignity of men everywhere. And we believe in non-intervention into the internal affairs of nations. [applause]

We believe that black South Africans should be free to enjoy their own land and we will do all we can to dismantle the brutal dehumanizing system called apartheid. [applause] We are dedicated to majority rule as the only democratic system of government. Self-rule, no matter how rudimentary, inefficient, or inept, is superior to any device by the most caring and benevolent friend or master. The actions of democracy is self-rule. We are dedicated to a policy of being friendly and at peace with all nations, especially our neighbors. We are going to become more and more active at the United Nations. No more sitting out quietly and staying in the background. [applause]

On Wednesday, October 18th [as heard], the Bahamas was unanimously elected to the committee on programs and coordination for 3 years. This is a big thing. That is the committee which runs the United Nations. Bahamas is there for the first time. On Wednesday, October 26th, the day our convention started, the Bahamas was elected to the economic and social council of the United Nations for 2 years. [applause] That is a great start. [end recording]

Minister Maynard called on all Bahamians to play a part to ensure that much of the world's tourism expenditure comes to our country. He predicted a record-breaking year in tourists arrivals and announced that duty free shopping will begin in the near future.

[Begin Maynard recording] Your government has given full attention to the needs for increased services and facilities, that the hotel rooms will be occupied next winter and throughout the year, thereby providing more jobs, securing them, those which are already in the tourism field. We have not been resting. We have kept constantly in touch with the people who generate business, provide hotel rooms, and those who are responsible for supplying airline seats, and delivering cruise passengers. We will generate tourism expenditure far in excess of the present average so that by the next decade the total figure will reach $2 billion. That is the mark we have to reach.

The competition is going to be fierce. Our competition is spending advertising money hand over fist. We have got a lot going for us in every important area and we will hold our ground. It is just up to us to put it all together and cooperate with each other and believe that the Lord will help us to make it happen. We believe this and there is no doubt that we can succeed and we will succeed. We are perhaps the only country in the world which receives visitors numbering 12 times its population. We must deal expressly and professionally with our visitors. [end recording]

The minister of tourism said all Bahamians have recognized the success of tourism and its continued progress will depend on outstanding facilities, creative advertising, imaginative promotion, along with helpful and informed attitudes of everyone.

Grenada

British Private Sector Trade Mission Visits

FL2810233788 Bridgetown CANA in English 2143 GMT 28 Oct 88

[Text] St George's, Grenada, Oct 28, CANA—A British private sector trade mission visiting Grenada has asserted that London's renewed interest in the Caribbean is aimed at stemming a downward slide of trade between Britain and the area—and not because of any fear of losing competitiveness in the European Common Market. The British position was stated by delegation members Tony Monaghan and Barrie Osbourne.

There have been charges here that Britain's renewed interest in the region stems from fear of being unable to compete against other European Community countries when trade barriers are removed in 1992, creating a single market. "What we are saying...is that maybe the U.K. has ignored the Caribbean probably in the last 20 years, and this trade mission is hopefully trying to recreate that British interest and those close commercial links and ties that still do exist," Osbourne remarked.

According to Osbourne, the leader of the delegation, there is no question of Britain being scared of competing in the single European market with countries like France and West Germany.

He said that Britain was not trying to look outside of the community as a result of any fear since it has been competing with these countries for many years.

The Caribbean exports mainly bananas, sugar, and rum to Britain while the region imports from Britain goods including construction material, vehicles, and food such as potatoes, meat, and poultry.

Like Osbourne, Monaghan said there is no fear on the part of Britain as regards a single European market and the removal of trade barriers. Monaghan spoke of a move afoot in Britain "to educate people that there is an opportunity" to compete in the Caribbean.

"Our products are as good as anybody else's in Europe and why can't we grab some piece on a fair basis. I don't honestly believe that we are afraid of the common market opening up," he said. "The market here is one we are encouraging U.K. customers to look at seriously," he added.

Monaghan stated that he was not even sure that all entrepreneurs in Britain realized the implications of 1992 regarding the removal of trade barriers. As such, he said, a lot of emphasis is being placed on trying to educate British businessmen on the opportunities and possible problems a single market might create.

Haiti

FADH Announces Resumption of Weapons Search

FL0111160888 Port-au-Prince Radio Nationale in Creole 1400 GMT 31 Oct 88

[Text] The General Headquarters of the Haitian Armed Forces [FADH] informs the public that it has ordered search operations to be resumed, so as to confiscate weapons that are illegally in the people's possession. These operations will be carried out by special teams made up of uniformed members of the FADH who will also wear distinctive insignia bearing a registered number. Only these people will have the right to conduct searches.

Private residences will be searched with a warrant and in the presence of a justice of the peace between 0600 and 1800, and at no other time.

The General Headquarters insists on the fact that only members of these teams will conduct searches, and that there will be no searches at night.

This communique from the FADH General Headquarters is signed by Brigadier General Andre Jean-Pierre, FADH, adjutant general.

KID Denounces Arrest of Fort Dimanche Soldiers

FL2810195088 Port-au-Prince Radio Nationale in Creole 1300 GMT 27 Oct 88

[Excerpt] In a press release, the Confederation for Democratic Unity [KID] denounces the arrest of soldiers from Fort Dimanche. KID says it has learned that a group of soldiers from Fort Dimanche have been arrested, among them: (Jean-Baptiste Valere), (Rueben Jean-Charles), (Andre Sauveur), (Elois Deraline), (Armand Christophe), (Alexis Dorelus), and (Joseph Jean-Baptiste).

These soldiers have been arrested and imprisoned because they wanted to take Major Isidor Pongnon and dump him at Army General Headquarters, the way soldiers from other military corps did to their commanding officers after the 17 September 1988 coup.

KID asks all soldiers in the Army to remain united. KID says: Do not let (?any bad person) make you lie or denounce your fellow soldiers, because the unity of the Haitian people and the patriotic soldiers is the only force capable of bringing about real change in Haiti, sooner or later. [passage omitted]

Mobilization Against Avril Urged

FL2810200088 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 27 Oct 88

[Excerpts] The Confederation for Democratic Unity [KID] denounces the arrest of soldiers from Fort Dimanche. KID also denounces a series of conflicting reports appearing in connection with this matter. [passage omitted]

[In its press release] KID says it notes that in their haste to sow confusion, two false pretexts for these arrests have already been put out. KID says: On the one hand, Major Pongnon has declared that it was because they wanted to attack the Fort Dimanche barracks; on the other hand, other soldiers at Fort Dimanche say that it was because they are against the 17 September movement. [passage omitted]

KID says it thinks the Haitian people and patriotic members of the Armed Forces should continue to organize and should remain mobilized until Sergeant Patrick Beauchard and all the other patriotic soldiers that Avril has put in jail for wanting to get rid of all the macoutes have been released. KID asks all soldiers to mobilize until both the patriotic enlisted men who are in jail and the patriotic officers who have been fired are taken back into the Army. KID asks the patriotic soldiers in the Army to organize, because the Avril train is a threat to them all. Finally, KID asks the soldiers to continue to mobilize until they have uprooted all bad section chiefs, assistant section chiefs, justices of the peace, and macoute civil servants and military men who are trampling the country and brutally repressing the population. [passage omitted]

KID invites the press—radio, newspapers, and television—to a press conference to be held by the families of the Fort Dimanche soldiers arrested by Major Isidor Pongnon today, 27 October 1988, at 1000 at KID headquarters, No 19, Rue Champ de Mars, Port-au-Prince.

Official Accused in Church Massacre Case

FL0111152588 Port-au-Prince Radio Nationale in Creole 1400 GMT 31 Oct 88

[Excerpts] Last week, Delmas Commune Magistrate Rodrigue Ben Bichotte issued a written statement denying accusations that he was involved in the St Jean Bosco Church affair. After this statement appeared in the press, we contacted Ben Bichotte. He told us why he had issued the statement.

The magistrate said that in regard to the St Jean Bosco affair, he had spent all of 11 September at Delmas city hall, where he had set up a vaccination post, and that he has never had anything to do with Mr Franck Romain's personal affairs. Mr Ben Bichotte also said during the interview that no Delmas city hall employee of his was involved in the 11 September affair either.

We also asked the magistrate to tell us about himself—where he came from and what he has studied. He said that before being a magistrate, he was the representative of a Lutheran mission in Haiti—that he was a preacher, here to serve the people. He also told us that he is an agronomist and has been many places, such as Israel, Guatemala, and other places (?where he went to) finish his studies in the field of cooperatives. [passage omitted]

Well, a young man named (Durand Derilus) who knows Magistrate Ben Bichotte very very well came to our studios at Delmas 33. He contradicts Magistrate Ben Bichotte. (Derilus) says that Magistrate Ben Bichotte participated with his entire soul, mind, and body in the massacre that occurred on 11 September 1988 in front of St Jean Bosco Church. This young man says many others were advised by Magistrate Ben Bichotte to go and set fire to St Jean Bosco Church and even to kill people. We will have you listen to (Durand Derilus') statements.

[Begin recording] [(Derilus)] Well, first of all my name is (Durand Derilus), and I am the president of the organization committee for Delmas 32. I came here this morning because I heard a statement made by the magistrate of Delmas to the effect that none of his city hall employees participated in his massacre.

[Reporter] What massacre?

[(Derilus)] I have come to give the lie back to Magistrate Bichotte.

[Reporter] You spoke of a massacre. What massacre?

[(Derilus)] The St Jean Bosco massacre. I came to give the lie back to him. As a leader of Delmas 32, Ben Bichotte had called me, sent me an invitation, back from the time of the (?micro-projects) for Ti Place Cazeau. And there he made promises (?regarding development). (?In connection with) development, he met with us and chose some of us whom he felt could do some work to protect General Namphy's power. Well, that is where we had a rendezvous.

This same Ben Bichotte has said that no one from Delmas city hall was involved in the massacre. I have come to contradict this lie on the part of Ben Bichotte.

I want to ask Ben Bichotte: Guy Douyon, the security guard who was at the (?gate), isn't he at Delmas city hall? Didn't (Christophe Charles), gros Christophe, who lived at Delmas 30, who was head of security (?and) who was at the St Jean Bosco massacre, work at city hall?

I ask if Ti Leon, who went to St Jean Bosco and who appeared on television to say they would stike anywhere that Father Aristide went to give a message, is not a Delmas city hall inspector?

I want to ask Gros (Volmar) if (?there aren't), at city hall, a group of men I don't know. Isn't the man who was the bodyguard of Desanges, the former magistrate of Carrefour—the fair-skinned guy, the (?good-looking one), who was in the courtyard at city hall, isn't he (?a city hall employee)? All these macoute security men he put into city hall who participated in the massacre, weren't (?they) at city hall?

Well, I have come here to contradict you, Ben Bichotte.

Remember, it is you who reached agreement with me, for me to give you (?people), for us to go make them stop, to shut their mouths. Remember (?that) you stood up and said if (?anybody) refuses to get on the train, the train will run him over?

Ben Bichotte, this is (Durand Derilus) talking to you. I am asking you—since you claim to know nothing about the St Jean Bosco massacre, and since I see that you are still in power—why, when you came to join me there on the Grand Rue, a short distance from the television station, you told me to come see you. You told me to come see you Monday. I didn't show up. I didn't show up.

When I returned, it was the secretary general who asked me, on 29 September, to go see you. Before I found the way to city hall, when the four soldiers—with Jean-Marie, who (?was) involved in the burning of the church in Cite Soleil and who is still a bigshot at city hall, Jean-Marie [words indistinct] or whatever his name is, the fair-skinned, slim, guy.... [changes thought] When he saw me, he took off. Four soldiers rushed to meet me. When they caught me, they beat the hell out of me. With every blow they dealt me, you guys told me what to say. You said I had to say that it was a certain leader who sent me. I was supposed to say that it was (Beauvais) who had sent me. I was supposed to say that it was (Theodate). And I said why should I name a citizen who was never (?involved in anything)?

Why did you beat me? Were you not pressuring me because you know that I know too many of your secrets, as a macoute? Well, I am asking the Haitian people: If Ben Bichotte can (?still be in) power, then the people they burned were burned unjustly. Because Gros Milot is now in Petit Goave, walking around carrying a Bible. They say that Guy Douyon is in the Les Cayes area, carrying a Bible and a (?hymnbook of songs of hope). And you too have your (?hymnbook of songs of hope) and your Bible. But remember that Luc Desir, too, was a man who loved the church, and he nevertheless effected all those massacres!

I have come here because I know that you allowed them [not further identified] to send three people dressed in green to my house at midnight on 17 October.

I am holding you responsible for my life, and I am holding the Haitian people (?responsible too). And if you are going to lie, I ask that you face me on television, in front of all the journalists. I am awaiting you, Ben Bichotte, because there must be an end to this, because we are asking for freedom in Haiti.

I gave in, because I saw I was facing a group of murderers. I had to go along with you, to make you believe I was (?like you). But I was (?actually only looking out for myself). Had I had the power, while (?you) were all meeting, I would have been capable of (?exposing) you all, so that the people could have their freedom. [end recording] [passage omitted]

Thus, that was Mr (Durand Derilus), who is asking to face Magistrate Ben Bichotte on television, for the edification of the public—so that he can tell the public exactly who Magistrate Ben Bichotte is. He says that the magistrate participated with all his soul, body, and mind—physically—in the 11 September 1988 massacre at St Jean Bosco Church.

Macoutes Said Still Threatening Artibonite
FL2810193788 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 27 Oct 88

[Excerpts] A nine-member youth delegation from COPOL, the Coordinating Body of People's Organizations of the Artibonite, and the relatives of the four Labadie youths shot and killed on 14 August 1988, met with Justice Minister Gilbert Austin the day before yesterday. Austin gave the letter of complaint from the Labadie victims' families to [Justice Ministry director general] Yves Barbot, who has been charged with sending it to the representative of the Department of the Public Prosecutor in Saint-Marc. The latter is to set public action in motion against the perpetrators.

Serges Desroches, a member of the Labadie Youth Movement, says that many doubts will be erased only when those responsible for such massacres have been sanctioned as the law requires.

[Begin Desroches recording] [Passage omitted] The situation is very serious in the Petite Riviere de l'Artibonite area. In all [communal] sections of Petite Riviere, things are very, very, very serious. The macoutes are still hitting very hard. They are holding meetings and are threatening people. [Words indistinct] terror they are sowing in the Petite Riviere de l'Artibonite area. [end recording]

'Bokors, Evildoers Uprooted' in Artibonite
FL2810180088 Port-au-Prince Radio Metropole in Creole 1600 GMT 26 Oct 88

[Report from lower Artibonite Valley correspondent Lionel Exantus]

[Text] The uprooting of bokors [voodoo priests adept in harnessing forces for evil purposes] and other evildoers is continuing in the lower Artibonite Valley.

After two people accused of being evildoers were killed in (Jean Denis) and in (Moropeil) on 21 and 22 October, people from (Dechatel)—a neighboring village also in the fifth section—set fire to the house of a bokor named (Anoual Tedesca) in a village called (Seri) in the fifth communal section of Saint-Marc, yesterday, Tuesday, 25 October, at around 1000. They burned his house down and took his pigs and everything else he possessed.

(Tedesca), who was in Saint-Marc, had heard about what was going on and had rushed to the barracks in Saint-Marc to report it. On his way back, he met up with one of the people looking for him. They caught him, yelling: There's an evildoer! People from Saint-Marc showed up and captured him, smacking him around. He now has difficulty seeing out of his left eye.

A witness to the incident said they accused him of being an accomplice in the death of a young person in the village whose name we don't have. The military in Saint-Marc saved (Tedesca's) life and he is currently at the barracks in Saint-Marc.

Also, in Potenot, a village in the first communal section of Grande Saline, the people managed to set fire to the house of a bokor called (Senoumem). They accused him of being an evildoer. They claim he caused the deaths of many people in the area. (Senoumem) is currently in hiding.

Lachicotte Residents Seek Help Against 'Thugs'
FL2810225188 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 28 Oct 88

[Excerpts] A delegation of more than 20 people from Lachicotte, Desdunes, in the l'Estere area, is asking for help because of the travail to which they are being subjected by the lieutenant, section chief, and justice of the peace in l'Estere. They are sowing terror in the area.

According to the peasants, these three men have armed a group of thugs that is preventing them from living in peace on their 75 carreaux [1 carreau; 1.29 hectares] of land.

Despite all their appeals to the Justice Ministry in Port-au-Prince, nothing has ever been done about this. On the contrary, the group of thugs has arrested people, beaten them, burned down houses, and killed eight peasants. Now the peasants have had to go into hiding. [passage omitted]

The peasants are asking for help from the police in Port-au-Prince. They are asking the police to come out to Lachicotte, Desdunes, where they can see all the bullet holes, the burned houses, etc.

Last week, the peasants went before the representative of the Department of the Public Prosecutor in Gonaives, who gave them a list of people for the lieutenant to arrest. However, only two people were put in jail.

The peasants of Lachicotte, Desdunes, ask the authorities in Port-au-Prince to come do something in l'Estere, to rid them of the group of thugs that is being supported by the lieutenant in the area.

Well, does the population have a right to capture and take before the courts—before a justice of the peace, the representative of the Department of the Public Prosecutor, or an examining magistrate—the people who burn houses down and who commit criminal acts all over Haiti? The population has seen them do this with their own eyes. It is called "in flagrante delicto." The justice minister seemed to say they have a right to justice in a press released dated 27 October 1988, in which he cited Articles 20 and 88 of the Code of Criminal Procedure.

Jamaica

Financing for Agricultural Recovery Announced

FL2810212988 Bridgetown CANA in English
1905 GMT 28 Oct 88

[Text] Kingston, Jamaica, Oct 28, CANA—Prime Minister Edward Seaga said Thursday night that J710 million dollars (1 JCA dol; 18 cents U.S.) will be available to finance the recovery of the Jamaican agricultural sector after the hammering by Hurricane Gilbert last month. Seaga also announced a planned package of interest rate cuts and a payment moratorium on farm loans in an effort to help the recovery.

The prime minister, in a radio broadcast, said that J445 million dollars would be made available by the government in a new agricultural credit and grants to farmers, while commodity organizations will spend up to 100 million dollars. Commercial banks will commit J200 million dollars from their own resources.

The agricultural sector suffered an estimated J2.1 billion dollars in lost earnings and recovery costs when Gilbert battered Jamaica on September 12. The worst hit was domestic food production, dominated by several thousand small farmers. The overall loss and estimated recovery costs were equivalent to the financing that Seaga said would be available for the recovery.

Seaga said that banks using funds from the government's Agriculture Credit Bank (ACB), which wholesales finance, will use a common interest rate of 14 per cent, reduced from as high as 18 per cent. Additionally J300 million dollars will be channeled through the ACB and the Central Bank to commercial banks to provide new credit at between 9 per cent and 9.5 per cent.

"This will also mean that, on average, the lending rate to farmers through the commercial banks on loans not using agricultural credit bank funds, will be reduced to 18 per cent from rates as high as 25 per cent," Seaga said.

Where necessary, he said, the government-operated peoples' Cooperative Banks as well as commercial banks, will provide grace periods of up to 2 years on the repayment of principal and will also capitalize interest during that period. "This will mean that no payments on principal or interest will be made on existing loans during the period of grace to give farmers time to recover before payments recommence," Seaga said. There are plans for longer loan repayment periods and softer monthly payments.

Apart from the J300 million dollars to be channeled by the government to the large institutions, another 135 million dollars will go as grants and soft loans to farmers. Seaga said that J50 million dollars will be grants of J500 dollars each to 100,000 subsistence farmers who will be issued agricultrual stamps in November. Another 25 million dollars will provide loans of 1,000 dollars each to 35,000 small farmers at 8 per cent through the peoples' Cooperative Bank. This is agaist current P.C. Bank rate of 11 per cent. An additional 60 million dollars will be made available through the ACB to the 40 P.C. Banks with which it operates to onlend to their 15,000 clients. These loans will average 4,000 dollars and the interest will be eight per cent.

Trinidad and Tobago

Clashes Reported in House of Representatives

FL2810004088 Bridgetown CANA in English
2151 GMT 27 Oct 88

[Text] Port-of-Spain, Trinidad, Oct 27, CANA—Trinidad and Tobago's House of Representatives had a stormy session on Wednesday.

Settlements Minister Pamela Nicholson walked out of the chamber after an exchange of words with House Speaker Nizam Mohammed who also clashed with the leader of government business, Dr Bhoe Tewarie.

In a sitting which went well into the night, Mohammed first clashed with Tewarie, who is also the ruling party's general secretary, over a court ruling on Monday which named Tewarie in a libel suit against Mohammed. Tewarie tried to explain his position but asked Mohammed to vacate his seat during the statement. Mohammed said he had already overruled the request in his chambers earlier and that no amount of intimidation would make him vacate the office of speaker.

Nicholson and the speaker clashed when she rose on a point of order to rebutt remarks against Sports Minister Joan Johnson, made by Member of Parliament Trevor Sudama.

Sudama has been fired a minister and expelled from the National Alliance for Reconstruction. Nicholson was overruled by the speaker. Sudama had referred to Johnson, as a "Joan come lately".

As Sudama resumed his contribution knocking government's track record in his Southern Oropouche constituency, Nicholson continued to grumble loudly sparking off Mohammed's response. "Your voice is coming over in a manner that is bringing the proceedings into a troublesome way. It is a final warning," he told Nicholson. "I want to urge honourable members, this is not a conference floor nor is it a fish market. It is either we conduct ourselves as honourable members of a dignified parliament in accordance with these rules or we leave our street behavior outside. One out of the two."

Nicholson packed her things and left the house as Sudama resumed his contribution.

Costa Rica

Government Refuses To Remove Managua Envoy

PA0111131488 San Jose Radio Reloj in Spanish 0105 GMT 1 Nov 88

[Text] The Costa Rican Government headed by Oscar Arias Sanchez has rejected the Sandinist government's request to remove Costa Rican Ambassador to Nicaragua Farid Ayales. Foreign Minister Rodrigo Madrigal Nieto said that the ambassador has followed instructions from President Arias Sanchez and the Foreign Ministry.

According to the Sandinist regime, Ambassador Ayales' removal is justified because he has met with political opposition leaders, antigovernment groups, and with representatives of the daily LA PRENSA. For these reasons, he has been accused of collaborating with the contras.

Foreign Minister Madrigal Nieto said that the Sandinist government's request for Ambassador Farid Ayales' removal and its accusation that he is helping the contras is inexplicable. Madrigal Nieto also admitted that the [word indistinct] ambassador's removal could cause negative reactions from the Costa Rican Government, which could cause relations between the two countries to grow even colder.

Madrigal Nieto emphasized that situations like these do not contribute at all to the improvement of relations between Costa Rica and Nicaragua, and that therefore he expects a change of attitude from the Sandinist regime. Madrigal Nieto said that he will contact his Nicaraguan counterpart Miguel D'Escoto to explain why his government has refused to remove Ambassador Farid Ayales.

The request was submitted to Deputy Foreign Minister Carlos Rivera Bianchini 22 days ago by Carlos Sequeira, counselor of the Nicaraguan Embassy in San Jose. Madrigal Nieto asserted that the activities of the Costa Rican ambassador in Managua are normal for a representative of a democratic country anywhere in the world.

Economy Minister on Inflation, Growth Rate, GNP

PA3110192088 San Jose Radio Reloj in Spanish 1200 GMT 31 Oct 88

[Text] Costa Rican Economy Minister Antonio Burgues has said that according to current overall analysis, the Costa Rican economy grew in a sustained manner this year.

Minister Burgues added that the Costa Rican GNP increased 4 percent thus far this year and the industrial sector will increase 5 percent by the end of 1988.

Burgues said there will be an 18-percent accumulative inflation rate by the end of 1988. He claimed that that rate exceeded the figures expected for this year. The government had estimated the 1988 inflation rate would not be higher than that at the end of 1987.

Minister Burgues stated the government made sufficient and constant efforts to lower the inflation rate, but that there are inflationary variables that cannot be touched to avoid affecting certain sectors.

The Costa Rican economy minister said the government decided not to touch some anti-inflationary variables, because they would affect certain policies of social justice, including the decision to maintain the current employment rates and wage policies and to handle the available cash with a certain degree of caution to avoid affecting national productivity. Burgues said the current inflation rate could also be the result of the commitments made by the government to various sectors.

Central Bank Announces Devaluation of Colon

PA0111235588 San Jose LA REPUBLICA in Spanish 27 Oct 88 p 2

[Text] The Costa Rican Central Bank last night announced a new 30-centimo devaluation of the colon. The purchase price of the U.S. dollar is now 78 colones and the selling price is 79 colones.

In accordance with the policy the Central Bank is implementing, the colon has been devalued 13.1 percent this year. This is its 17th devaluation so far this year.

El Salvador

FMLN Guerrillas Hit National Guard Garrison

PA0111222788 San Salvador Radio Cadena YSU in Spanish 2135 GMT 1 Nov 88

[Text] Alleged FMLN guerrillas are right now carrying out a major attack on the National Guard's central garrison in Atlacatl neighborhood in San Salvador. According to preliminary reports, the intense attack began about 10 minutes ago with mortars and rifle fire. Here is a preliminary report by a National Guard spokesman:

[Begin recording] [Spokesman in progress] ...about 10 or 15 minutes.

[Reporter] Any casualties?

[Spokesman] We do not know at this time.

[Reporter] Is it still going on?

[Spokesman] Yes, it is still going strong.

[Reporter] Are you returning the fire?

[Spokesman] Yes, that is right, we are returning the fire. [end recording]

It is not known whether there are casualties among the National Guardsmen who are returning the fire.

Here is another report by Oscar Ramirez on this situation:

[Ramirez] The attack carried out this afternoon by FMLN urban commando units began at 1515 with rifle fire. According to military sources, several National Guardsmen were wounded in the attack.

16 Guardsmen Wounded

PA0111230388 San Salvador Radio Cadena YSU in Spanish 2245 GMT 1 Nov 88

[Coprefa report]

[Text] Sixteen national guardsmen were wounded this afternoon during a harassment attack by terrorists on the National Guard's central garrison in San Salvador. The terrorist action began at 1525 and lasted 15 minutes. They used mortars and rifle fire, which caused minimum damage to the military installations. Military units have been combing the area since the attack, so we ask nearby residents to remain calm. The wounded were immediately taken to the military hospital for treatment.

National Guard Director Wounded

PA0211000388 San Salvador Radio Cadena YSU in Spanish 2333 GMT 1 Nov 88

[Report by Carlos Ernesto Rugama]

[Excerpts] This is a special report on the FMLN attack on the National Guard central garrison that began at approximately 1540. A bomb in a car with license plate No 141938 exploded and heavy mortar and rifle fire immediately began. We can report that a block of dormitories of National Guard students was destroyed.

We can also report that Colonel Jose Humberto Gomez, general director of the National Guard, was wounded by shrapnel. The officers' club was also destroyed. [passage omitted]

The FMLN attack left two national guardsmen dead. We have confirmed this because we saw the burned bodies. Col Jose Humberto Gomez was slightly wounded and has been taken to the San Salvador military hospital.

FMLN Claims Credit

PA0211015388 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Nov 88

[Text] Radio Venceremos, voice of the workers, peasants, and guerrillas, reports to our people the victory achieved by our revolutionary army in the last few hours. Attention Salvadoran people. This afternoon, 1 November, FMLN urban guerrilla commando units carried out a strategic operation and a mortar attack on the National Guard central garrison in the capital. We repeat, the National Guard central garrison in the capital was attacked with mortars. Several guardsmen were wounded. In the last few hours, FMLN forces have also carried out operations in northeastern El Salvador [passage indistinct].

Coprefa Reports Attack Toll

PA0211031888 San Salvador Radio Cadena YSU in Spanish 0153 GMT 2 Nov 88

[News conference with Coprefa Director Colonel Galileo Torres and unidentified reporters "this evening;" place not given—recorded]

[Text] [Torres] Good evening, Salvadoran people. On behalf of the Armed Forces High Command, I want to inform you that today at 1515, the National Guard Headquarters was attacked for approximately 45 minutes with mortar and rifle fire.

Four Armed Forces members were killed. Eight were seriously wounded and 22 were slightly wounded. Four civilians were also wounded. National Guard Director Colonel Jose Humberto Gomez is among the slightly wounded. The other slightly wounded casualties are Lieutenant Humberto Guzman, 18 soldiers, and 2 administrative personnel—2 cooks.

Out of the four wounded civilians, three are adults and one is a child. They were visitors.

I also want to say the terrorists activated two car bombs during their attack. One of them exploded in the Tres Rios neighborhood, injuring three civilians and damaging houses and many vehicles. The other car bomb did not explode because it was defused by National Guard personnel.

I also have to state that houses near the National Guard Headquarters were damaged. A mortar shell fell on the residence of Salvador Motus Escobar. No one was injured.

In the National Guard Headquarters, three barracks were damaged and caught fire when grenades hit the dormitories. The troops' kitchen and dining hall were also hit and were damaged by fire.

It is important to point out that this attack was carried out in the afternoon to produce civilian casualties. You must remember the attack took place at a time when there is much traffic and there are many civilians in the area.

The attackers' main objective was to have National Guard personnel react in such a way that they would cause property damage to the civilian population.

It is worthwhile to point out that the security corps reacted in a very professional manner and the troops suffered no casualties when they pursued the terrorists.

The military high command condemns this type of attack because it serves only to produce panic among civilians and because it is an attempt to block the political process the government is promoting as well as international activities that are about to take place, such as the international fair, the OAS meeting, the meeting of [Central American] presidents, etc.

I am prepared to answer your questions.

[Reporter] Colonel, you have spoken about a pursuit following the attack. We would like to know if the terrorists suffered any casualties. Do you have any information on that?

[Torres] According to what has been stated by Colonel Galvez, who is in charge of a National Guard unit, there is no report on terrorist casualties because it was a very fast attack carried out from a long distance, as you can see. Although it is true that many shells fell on the general headquarters, it is also true that two or three shells fell in areas near general headquarters. Therefore, we do not have any information yet on any terrorist casualties.

Ponce Discusses Attack

PA0211033788 San Salvador Radio Cadena YSU in Spanish 0137 GMT 2 Nov 88

[News conference by Colonel Rene Emilio Ponce, chairman of the Armed Forces Joint Chiefs of Staff, with unidentified reporters at the National Guard central garrison in San Salvador on 1 November; broadcast in progress—recorded]

[Text] [Ponce] ...urban terrorists, a group of 15 men. They used mostly explosives launched from a great distance. We have to lament three dead guardsmen. We suffered 20 to 25 wounded. I do not have the exact figures. We also have four wounded civilians who have been taken to the military hospital. As you have seen, the damage was to (?three buildings), which were partially destroyed. As I said, this action was mainly for publicity purposes. I do not consider it a large-scale attack because they did not enter the garrison. They did not achieve their objective. It was an attack to get publicity.

[Reporter] Colonel, if there are security forces on the outskirts of the city, how could the mortars be set up?

[Ponce] I did not mention mortars. I am speaking of explosive charges launched with bazookas and some car bombs here in the southwestern sector and in the north through [words indistinct]. The high command reacted immediately in support of the National Guard, and units of the Treasury Police, the 1st Brigade, and the National Police and Air Force helicopters were deployed.

[Reporter] It was quite a strong attack [words indistinct]?

[Ponce] I continue to state that it was not a heavy attack. There were four explosions in the National Guard installations. Some [word indistinct] were taking classes [words indistinct] were taken to the military hospital.

[Reporter] Has anyone been arrested?

[Ponce] I do not know at this time.

[Reporter] What is Colonel Jose Humberto Gomez' condition?

[Ponce] He was slightly wounded in one hand and in one leg by shrapnel. No one was wounded by rifle fire.

[Reporter] There is talk of [words indistinct]?

[Ponce] No, just Lieutenant Guzman Lara, and 20 to 25 guardsmen, but I do not have the exact number.

[Reporter] [Question indistinct]

[Ponce] [Words indistinct] for security reasons I cannot tell you, but you will see [words indistinct].

[Reporter] Did the car bomb explode before or after [words indistinct]?

[Ponce] The car bomb was the first thing to explode in the northern part of the installations. (?Two) others were defused outside. Three buses were burned outside. [Words indistinct] the terrorists do not care about the costs or who they are going to kill. They only care about the publicity. They are using a Machiavellian principle: The end justifies the means.

[Reporter] [Question indistinct]

[Ponce] The military units usually have greater security at night [words indistinct] this harassment attack.

[Reporter] [Question indistinct]

[Ponce] [Words indistinct] the northern part of the garrison.

[Reporter] You say these guerrilla actions are for publicity purposes. Might a similar attack be launched against another garrison in the capital?

[Ponce] Not very many people are needed to launch such an attack. Wherever there is the opportunity to set off explosive devices, they will do so. We must bear this in mind and tell the people to have confidence in us, because we are going to intensify our activity in the capital to prevent this type of action.

[Reporter] [Words indistinct] doesn't a place called La Lomita have security to prevent such an attack?

[Ponce] Well, if there had been security, the terrorists could not have set up there. I can tell you it was a very small group so as not to appear suspicious. We have been intensifying our nighttime security. They have never before launched a daylight attack.

[Reporter] Was National Guard Director Gomez at the officers' club [words indistinct] at the time of the attack?

[Ponce] Col Jose Humberto Gomez [words indistinct] a course here in the northern part, and, unfortunately, an explosive charge hit a tree and the shrapnel hit him.

[Reporter] Could it be said that as of now the Armed Forces are on maximum alert in the capital?

[Ponce] We have already placed all our units on alert. country's most important and best trained unit.

Gen Blandon Discusses Military Changes

PA0111151288 San Salvador Canal Doce Television in Spanish 1200 GMT 31 Oct 88

[Report by Antonio Mineros on "exclusive" statements by General Adolfo Blandon, chairman of the Salvadoran Armed Forces Joint Chiefs of Staff, on 30 October; place not given—passages within quotation marks recorded]

[Text] [Mineros] General Adolfo Blandon has announced that he will cease to be chairman of the Armed Forces Joint Chiefs of Staff on 1 November, and that he has been appointed military attache to France. According to Gen Blandon, Colonel Rene Emilio Ponce, who heads the 3d Infantry Brigade stationed in San Miguel, will be the new chairman of the Joint Chiefs of Staff.

[Blandon] "Most importantly, we kept the Armed Forces united."

[Mineros] Gen Blandon, who has held the post since 1983, tested his fellow officers' unity and professionalism.

[Blandon] "It is true that I am no longer chairman of the Joint Chiefs of Staff and that Col Rene Emilio Ponce will replace me. This change was necessary to open the way for new generations. In addition, this change is taking place during trying times for the country. I think Col Ponce is very able and can function very efficiently in the Joint Chiefs of Staff. The change is a timely one. I must tell my fellow officers that this is a time for them to test their ability and professionalism. They should bear in mind that the Armed Forces must remain united, not only for the institution's sake but for the country. I have held the job for 5 years. History will bear witness whether I did my duty or not. I can only say that I did my best as a soldier to fulfill the great historic responsibility laid upon my shoulders."

[Mineros] Gen Blandon will soon travel to France, where he will be the military attache. He might soon be transferred to Washington. Reviewing his work over the past 5 years, Blandon underscored the Armed Forces' progress, which followed times of serious crisis.

[Blandon] "Changes, both in the staff and in the field, were appropriate. We are experiencing a serious crisis. Nobody, neither here nor abroad, thought El Salvador could avert communist aggression. We were very weak, but our Armed Forces are now very well equipped and trained, very professional. I do not think the terrorists will succeed in achieving power through violence in this country. It is important, however, for the Armed Forces to be aware of the need to remain united and to become stronger. Also, civilians—such as those within the political, labor, professional, and peasant sectors—must understand that the struggle is not only an Armed Forces struggle, but a struggle for all the people."

[Mineros] On likely changes in military policy following Col Ponce's designation as chairman of the Joint Chiefs of Staff, Blandon said that he would not be surprised if Ponce uses different methods. Blandon said, however, that any changes would always be for the Armed Forces' good because of the ability of Col Ponce and the other Joint Chiefs of Staff members.

[Blandon] "I would not be surprised if Col Ponce changes operational methods and the direction of our 3-year draft agenda. He will surely examine them closely. I am sure that if he changes our plans, it will be for the good of the Armed Forces and will improve our chances of winning the conflict. He would not impede or delay the implementation of our plans. Ponce is an excellent and hard-working leader. Any decision he will make will be both necessary and well-thought out, both by himself and by his staff assistants."

[Mineros] Generally speaking, the change was a wise decision and I agree with it, Gen Blandon said. He also alluded to possible changes within the next few days in several military detachments, brigades, and security services. He also emphasized the role played by the Armed Forces late in 1983, and the tactical military results their actions had. These efforts scaled back the conflict by reducing the FMLN's military strength. Blandon expressed appreciation for the work and ability of all military garrison commanders as well as staff members. Gen Blandon said the change has nothing to do with the current party struggle, adding that the Armed Forces should stay out of party politics and only strive to strengthen the democratic process.

Ponce on New Assignment; FMLN

PA0211041688 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Nov 88

[Report by Mauricio Funes on interview with Colonel Rene Emilio Ponce, the new chairman of the Salvadoran Joint Chiefs of Staff, with Mauricio Funes and an unidentified reporter in San Miguel; date not given]

[Text] [Funes] Colonel Ponce was careful in commenting on statements by General Adolfo Blandon to our newscast confirming that he will step down as Armed Forces

chief of staff on 1 November. He said the change will be official once President Napoleon Duarte makes the final decision.

[Begin recording] [Ponce] As of now, I have only received a note from the Defense Ministry informing me of the change. I am still waiting for a final decision by President Duarte tomorrow. I learned about this through the defense minister.

[Funes] When will you know?

[Ponce] Tomorrow.

[Funes] If you are named chief of staff, would you bring a new spirit or style to its leadership?

[Ponce] I do not want to make any predictions before the actual announcement, but I do wish to say that our determination will remain unchanged. We will continue to seek an end to this war and implement joint actions; that is, combine the efforts of government and civilian institutions with the military, which is the most important element. We want a definitive solution to the conflict.

[Funes] What is your assessment of the growth of the Armed Forces during the 5 years that Gen Blandon was its chief of staff?

[Ponce] History will judge Gen Blandon's work. As a soldier, I can tell you he has done an excellent job as head of the Armed Forces. We all acknowledge this; all commanders do. His work has qualitatively and quantitatively improved our Armed Forces.

[Funes] Which aspects would you try to strengthen?

[Ponce] We should wait; pardon me, but I want to wait until the official decision is made tomorrow.

[Reporter] But would you (?accept the appointment)?

[Ponce] That is an aspiration shared by all men in uniform. It is an order that I will receive from the High Command that I must obey. [end recording]

[Funes] The military leader was interviewed after a ceremony marking the anniversary of the designation of the 3d Infantry Brigade, headquartered in San Miguel, as the Lieutenant Colonel Domingo Monterrosa Brigade. During the event, 200 new recruits and more than 90 community directorates of San Miguel Department were sworn in.

When asked about recent statements by Commander Joaquin Villalobos that the guerrillas' military maneuvers have tipped the balance of power in favor of the FMLN, Col Ponce said the guerrillas' actions, especially in urban areas, reflect their operational weaknesses and an inability to sustain permanent actions throughout the nation.

[Begin recording] [Ponce] There is no significant action by the FMLN indicating that it has military superiority. That is false. You can confirm this. It cannot hold a position; we can enter any area at will and not be challenged by the FMLN. This is why I called on them this morning. So far during this war, they have deceived their own combatants into believing military might is nonexistent. [sentence as heard]

If they indeed had military might, we would be seeing actions such as those of 1983. However, there is none of that. They are now combining military actions with political - diplomatic efforts in South America, Costa Rica, and other countries. And what is common now? Terrorism. This means military actions as a component of the revolutionary process [words indistinct]. That is why they are pursuing terrorism in cities and the countryside.

They should follow the example of the top leaders who have had a change of mind and have decided to join the democratic process. They will indeed find ways to reintegrate into Salvadoran society. [end recording]

[Funes] Ponce also said the Armed Forces will continue to respect dialogue as an instrument as long as the government resorts to it as part of an overall solution to the conflict. In his own words, the dialogue is the responsibility of the government, and the Armed Forces, as an obedient and nondeliberative body, will respect the government's actions.

Meanwhile, it was unofficially said that Colonels Inocente Montano of the 6th Infantry Brigade and Mauricio Ernesto Vargas of the staff operations office could be chosen to head the 3d Brigade, which Col Ponce described as the

Armed Forces Reports on FMLN Actions

PA0111233788 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Nov 88

[Text] The Army has reported that the FMLN dynamited a bank branch, derailed a train, and downed several electrical poles in the past few hours.

According to a military report, the rebels dynamited an Agriculture Development Bank branch in San Francisco Gotera, Morazan Department early this morning. There were no casualties as a result of the attack, but there was extensive damage to the bank office and stores in the area.

The Armed Forces also reported the rebels dynamited a Fenadesal [Salvadoran National Railroads] train near San Antonio Canton, San Vicente jurisdiction.

The rebels also downed two electrical poles in the Metapan area and sabotaged five electrical poles near Ilobasco.

Coprefa Reports Murder of Nueva Granada Mayor

PA0111214188 San Salvador Radio Cadena YSU in Spanish 1800 GMT 1 Nov 88

[Coprefa report]

[Text] FMLN - FDR terrorists last night murdered the mayor of Nueva Granada, Usulutan Department. Jose Ulises Hernandez was violently dragged out of his home and shot to death in front of his family. Five mayors have been murdered by the FMLN in the eastern part of the country, and not a single human rights organization has condemned this wave of murders promoted by the FMLN.

Radio Venceremos Reports FMLN Battle Actions

17-27 Oct Actions

PA2910015488 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 28 October broadcasts approximately 14 minutes of battle reports on recent FMLN actions.

Venceremos first reports that FMLN urban commando units "annihilated five government soldiers in one night", adding that the units "seized three M-16 rifles from the enemy in the clash."

The station then reports that the Anastacio Aquino Paracentral Front staged simultaneous attacks on the city of San Vicente from three different directions at 0100 on 17 October, inflicting five casualties on the Army and blowing up several electrical poles and three generators.

In addition, Venceremos reports that the rebels took over a stretch of the (Amapulata - La Terminal) highway and attacked National Guard troops guarding a gas station. The guerrillas reportedly killed a corporal in this clash, seizing his G-3 rifle and several new cartridge clips. The station also claims that rebels destroyed the gasoline station, five electrical poles, and seven generators. It reports a rebel incursion in San Cayetano Istepeque at 0100 on 18 October, in which the rebels sabotaged four primary electrical poles, "leaving the city in total darkness". The attack reportedly lasted over 2 hours.

Venceremos goes on to report that the FMLN "attacked enemy positions" on Las Delicias Hill for 10 minutes, adding that "the number of enemy casualties is unknown. The enemy did not respond to our fire." The station also reports that the rebels staged an hour-long attack on National Guard troops in San Lorenzo and also harassed a National Guard unit in San Sebastian for 2 hours. According to the station, the number of casualties inflicted in these attacks have yet to be confirmed.

The station claims that the FMLN "blew up the electric transformers that feed electric power from Cerron Grande to the central and western parts of El Salvador, succeeding in leaving all of San Vicente Department in total darkness." Venceremos adds that another guerrilla unit barricaded a portion of the Sensuntepeque - Ilobasco highway in Cabanas Department on the same day at 0800 and distributed propaganda in the area.

According to the station, urban commando units destroyed several telephone distribution boxes in Santa Ana. It adds that guerrilla units staged an attack on Sociedad on 27 October, distributing propaganda and damaging several transformers.

In a final report, the station broadcasts an FMLN statement which claims that the Duarte regime "continues violating human rights" with the recent capture of a blind guerrilla in Chalatenango Department. According to the statement, the rebel was in a Red Cross ambulance when he was captured by 4th Infantry Brigade troops, commanded by Colonel Ciro Lopez. The FMLN directs its accusation "to the local and foreign press, to humanitarian organizations, and to the general public," adding that "this is the third violation of agreements protecting those crippled by war signed between the government and the FMLN in Panama, and is yet another obvious violation of the Geneva Agreements by Duarte's Army."

23-30 Oct Actions

PA3110232388 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 31 Oct 88

[Excerpts] We now have our weekly recap of FMLN actions. During the week of 23-30 October, important victories were achieved for our people. This is a summary of the events that have taken place in the past 7 days in our revolutionary war.

During this period, FMLN forces conducted intense political - military activities throughout the entire country, especially in the largest cities.

On Wednesday evening, in one of the most spectacular urban guerrilla actions in the last few weeks, urban commando units killed three soldiers inside a bus in San Salvador and confiscated two M-16 rifles. On that same evening in San Salvador, another unit killed two soldiers in the area of the Astor movie theater, while clashes and sabotages took place in the Lourdes neighborhood in the eastern part of the capital.

We must also note the guerrilla operation against the AID building in San Salvador, which will house the new Yankee embassy. [sentence as heard] The FMLN urban commando units fired a rocket at this building, an action in which we once again pointed our finger at the greatest enemy of the Latin American people: Yankee imperialism.

During the past week, the FMLN participated in clashes in the cities of San Vicente, Berlin, Zacatecoluca, as well as in the Santa Ana area. We must note the operations that took place against the bases of the [word indistinct]

and the nearby microwave station located in the vicinity of Santa Tecla. In addition, our forces attacked enemy positions in the following towns: Ilobasco, San Ignacio, San Miguel Mercedes, Dulce Nombre de Maria, [word indiscinct], Alegria, San Isidro, and San Cayetano Istepeque. [passage omitted]

The FMLN conducted three important operations during the week. Two of them were regional maneuvers accompanied by intense activities aimed at wearing out the enemy through ambushes, sniper fire, mines, etc, and a permanent campaign of sabotage to the war economy, which is suffocating Duarte's dictatorship.

The following are this week's figures: Between 23-30 October, the FMLN inflicted 121 casualties on the enemy. The casualties included a lieutenant, a sergeant, and a corporal. Likewise, six soldiers were kidnapped in Cabanas Department, but were later released.

Our forces confiscated the following weapons from the enemy: Three G-3A3 rifles; two M-16 rifles; a .357 cal revolver; [passage indistinct].

FMLN Reports Clashes, 6 Army Casualties

PA30O140988[Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 2300 GMT on 29 October reports on FMLN actions in Chalatenango and Cabanas on 25-26 October.

The station says the FMLN has executed "30 raids, 3 of which have been against important towns, such as Dulce Nombre de Maria, San Ignacio, and San Miguel de Mercedes." In addition, "four enemy agents were executed, a military vehicle was damaged, a .22-caliber rifle and a .38-caliber revolver were taken, and two transformers were sabotaged."

The station also airs a "military report of the Feliciano Ama Western Front. On 3 October, militiamen and clandestine guerrillas ambushed a patrol in Ahuachapan and inflicted six casualties, including dead and wounded."

Honduras

Nicaraguan Reports on Border Attacks Rejected

PA0211021488 Panama City ACAN in Spanish 0121 GMT 2 Nov 88

[Excerpt] Tegucigalpa, 1 Nov (ACAN-EFE)—The Honduran Armed Forces today rejected the latest Nicaraguan reports that Honduran troops had attacked the EPS in the Nicaragua - Honduras border area. The military spokesman said "the FSLN accusations that the Honduran Army has been making troop movements and aggressive provocations in different areas of our common border during the past weeks are false, absurd, and reckless."

The Armed Forces issued a communique stating they have not observed any [Honduran] infantry or artillery movements, "which BARRICADA so frequently reports with bias and ill-intention."

According to the official note that was issued today in Tegucigalpa, BARRICADA is used by the Sandinists "to discredit and damage the Honduran Government, Armed Forces, and democratic institutions."

The Honduran Armed Forces also denied that armored speedboats had attacked Nicaraguan military posts in the Gulf of Fonseca.

The Honduran note is in response to several Nicaraguan reports that Honduran and U.S. troops have been mobilizing along the border area. [passage omitted]

Repatriation of Salvadoran Refugees Postponed

PA0111233688 Tegucigalpa EL HERALDO in Spanish 29 Oct 88 p 2

[Text] The repatriation of 1,500 Salvadoran refugees has been postponed until December, after the refugees disagreed with the tripartite commission's plan to have them return next Monday.

The tripartite commission, made up of the Honduran and Salvadoran Governments and the Central American UNHCR [United Nations Office of High Commissioner for Refugees] office, decided last Tuesday to propose to the Mesa Grande and Ocotepeque refugees that they return to El Salvador the following Monday or postpone their return until after 1 December. However, the Salvadoran refugees declined the first suggestion and decided to hold consultations in order to reach an agreement among themselves.

Urich von Blumental, the UNHCR representative in Honduras, said that since the refugees rejected that proposal, preparations for their repatriation—which was to take place on 31 October—were canceled.

He added that the refugees will inform the commission of the date that they wish to return to their country. However, the UNHCR representative noted that since the commission proposed two dates, he believes the repatriation should take place in December.

Blumental admitted that the date for the refugees' return depends on the refugees and not on the tripartite commission.

The UNHCR believes the repatriation of refugees must be voluntary, and therefore does not encourage their return by force or as a result of foreign pressure.

The repatriation of this group of 1,500 Salvadoran refugees before the end of the year would raise the number of Salvadorans who have returned to their country to more than 3,000, in which case only 3,000 more Salvadoran refugees would remain in Mesa Grande.

Nicaragua

Cease-Fire Minimized by EPS Indian Bombing

PA0111200188 San Jose Radio Reloj in Spanish 1200 GMT 1 Nov 88

[Text] Miami—The Nicaraguan contras have downplayed the importance of an announcement made by the Managua government extending the truce with the rebels for 1 more month, and reported that the Sandinist Air Force [FAS] bombed Indians.

(Roger Gregman), RN Atlantic coast coordinator, said that on 28 October, the FAS bombed Indian families that were trying to seek refuge in Honduras to escape the floods caused by Hurricane Joan.

He said that it is not yet known if there were any deaths as a result of the bombings that took place in [word indistinct], 200 km northwest of Puerto Cabezas in Nicaragua's northern Caribbean region. He added that 500-pound bombs were used in this attack.

Radio Corporacion Suspended

PA0211011688 Managua Domestic Service in Spanish 0045 GMT 2 Nov 88

["Resolution" issued by First Lieutenant Lissette Torres Morales, Interior Ministry media director, in Managua on 1 November]

[Text] 1. Today, Radio Corporacion's "6 O'Clock" newscast, under the management of Jose Castillo Osejo, broadcast an ACAN-EFE report headlined: Contras Minimize Importance of Extension of the Cease-Fire and Report Bombing.

2. This newscast reported an alleged Sandinist Air Force bombing on 28 October of Indian families that were fleeing the floods caused by Hurricane Joan and trying to take shelter in Honduras.

3. This transmission violates Articles 2 and 3, Point K of the general provisional law on the media.

Therefore, on the basis of the powers granted by Article 46 of the general regulations on the media, this office resolves:

To definitely suspend the "6 O'Clock" newscast. and meet with various Nicaraguan politicians. [passage omitted]

New Contra Group To Present Peace Proposal

PA0111235188 Madrid EFE in Spanish 2106 GMT 1 Nov 88

[Report by Jeannine Camps]

[Excerpts] Miami, Florida, 1 Nov (EFE)—On 15 November, the Democratic Center Coalition [Coalicion de Centro Democratico—CCD], a new anti-Sandinist group headed by Alfredo Cesar, will present the Nicaraguan Government with a new and "integral" proposal for peace and reconstruction. The proposal was characterized today as an "inescapable commitment."

Roberto Urroz, a CCD leader, has told EFE that a draft of the proposal, which must meet with the approval of the Nicaraguan Resistance, the domestic Nicaraguan opposition, the Central American democracies, as well as the two U.S. political parties and European and Latin American countries, was discussed yesterday by the contra directorate. [passage omitted]

Urroz said the importance of this proposal, which is in line with Esquipulas II and the San Jose declaration, lies in the fact that this is the first time this kind of alternative will have the approval of the civic and military opposition, the Central American democracies, and the two U.S. political parties. [passage omitted]

Contras Reportedly Ambush Civilians

PA0111215588 Managua BARRICADA in Spanish 30 Oct 88 p 4

[Excerpts] All indications are that the CIA and the Reagan administration have decided to shatter the Sapoa agreement. A new, horrible crime has been committed against nine civilians who were traveling on a Robur truck on the morning of 29 October. They were on their way to San Juan de Rio Coco, Nueva Segovia Department.

The Somozist Guard's new genocide was aimed at a vehicle that was carrying several health volunteer workers, children, women, and members of peasant cooperatives. These people had been traveling through the area in relative calm for the past 10 months.

Comrade Jilma Rodriguez, our correspondent in Las Segovias, began sending us the first reports at noon on 29 October. Nicaraguan Presidency Ministry Delegate Carlos Manuel Morales reported the main details of the incident at 1400 on 29 October. [passage omitted]

In answer to questions by BARRICADA reporters concerning statements by President Daniel Ortega on 28 October about the damage caused by Hurricane Joan, Morales said the EPS has detected the mobilization of Somozist mercenaries in the border area during the last

few months. The EPS found out the mercenaries had even rehabilitated the old camps of "La Lodoza, Cifuentes, and others" across from Nueva Segovia Department [in Honduras].

Although the authorities have not yet determined exactly what type of counterrevolutionary forces conducted the first of the incursions ordered by the Reagan administration, Morales asserted that "we have almost no doubt the counterrevolutionaries are coming from the rehabilitated Honduran camps, because the distance between those camps and the place where the massacre took place is less than 1 day's travel on foot."

The warmongering, criminal attitude exposed by the Reagan administration's mercenaries' "action" is contrary to the will and desire of our people. That action brings us a few years back into the war of aggression, because two children and a pregnant woman were injured in the conterrevolutionary ambush.

Presidency Reports Amount of International Aid

PA0211044788 Managua Domestic Service in Spanish 0055 GMT 2 Nov 88

[All figures as heard]

[Text] The Nicaraguan Presidency has reported that as of 1200 today, the National Emergency Committee has received 738.1 metric tons of aid from various countries and private organizations and institutions. This aid will help partially solve the needs of those left homeless by Hurricane Joan.

The aid arrived on 45 flights from Cuba, the United States, Canada, the GDR, Argentina, Costa Rica, El Salvador, the Dominican Republic, the EEC, Panama, Spain, Great Britain, and the USSR. It consists of food, blankets, clothing, medical and construction equipment, and medicine, among other things.

To date, the National Emergency Committee has distributed 1,351 metric tons of aid in the southern Atlantic autonomous region; 399 metric tons in Region 5; 91.4 metric tons in Region 4, the Special Zone [not further specified], and to Managua refugees through the Red Cross; and 38.2 metric tons through the CEPAD [Evangelical Committee for Development Aid].

The total aid distributed is greater than the aid received by air because 1,138 metric tons that were in the country and 388 metric tons that were held by private organizations were used for the emergency.

USSR Sends 17 Tons of Aid

PA0111194688 Managua BARRICADA in Spanish 30 Oct 88 p 5

[Summary] An airplane sent by the USSR carrying 17 tons of emergency aid for the victims of Hurricane Joan is expected to arrive here on Monday, 31 October.

In addition, a Soviet official reported here that the Soviet Red Cross sent a ship from Leningrad on 28 October laden with "the necessities to ameliorate the damage caused by Hurricane Joan when it passed through Nicaragua."

A communique issued here reported that more Soviet aid, consisting of 11,000 tons of rice, will arrive in Nicaragua in November.

Soviet 'Solidarity Aid' Arrives

PA0211024388 Managua Radio Sandino in Spanish 1200 GMT 1 Nov 88

[Text] Twenty tons of solidarity aid arrived in Nicaragua yesterday from the USSR. Soviet Ambassador to Nicaragua Valeriy Nikolayenko presented the donation to INSBBI [Nicaraguan Social Security and Welfare Institute] Minister Reynaldo Antonio Tefel.

[Begin Nikolayenko recording] [Words indistinct] of fraternal aid from the Soviet people to our brothers, the Nicaraguan people, which represents our first material contribution to alleviate the current situation brought about by Hurricane "Joan." This shipment of approximately 20 tons contains medicine, blankets, tents, and other items urgently needed by the Nicaraguan people. I believe I speak for the Soviet people when, in these trying times for the Nicaraguan people, I say these words: We hope that with the help of friends, and through the efforts of the Nicaraguan people themselves, the current situation will be overcome, so the Sandinist revolution may move forward with a firmer step and with greater success. [end recording]

Meanwhile, the INSSBI minister thanked the fraternal and material aid that the USSR is providing Nicaragua during present circumstances.

[Begin Tefel recording] On behalf of the Nicaraguan people, the government, and our revolution, we acknowledge our recognition and gratitude for this act of solidarity of the Soviet people and government. We are certain, as you pointed out, that this is just the beginning of the generous Soviet aid for the Nicaraguan people. And just as you expect our revolution to gain strength and to emerge victorious from this painful experience, we too hope the interesting and beautiful process known as perestroyka will prevail in the USSR, so the Soviet people will move forward. [end recording]

EEC Donates Rice

PA0111232388 Managua Domestic Service in Spanish 1810 GMT 1 Nov 88

[Summary] Four thousand tons of rice donated by the EEC through the Evangelical Committee for Development Aid arrived at the port in Corinto today for those affected by Hurricane Joan last week on the Atlantic coast and in other areas.

Hungarian National Assembly Delegation Visits

PA0111234288 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Nov 88

[Text] Nicaraguan Commander of the Revolution Carlos Nunez has met with a Hungarian National Assembly delegation headed by Mihaly Korom, chairman of the Hungarian National Assembly's Constitutional Council. Nicaragua's situation and the disaster caused by Hurricane Joan were discussed at the meeting.

This is the first Hungarian National Assembly delegation to visit Nicaragua. During its stay, it will attend a session of the Nicaraguan National Assembly

PLI Elects New Party Leaders at Assembly

PA0111193888 Managua Radio Noticias in Spanish 1130 GMT 31 Oct 88

[Excerpts] [Newly elected Independent Liberal Party, PLI, Vice President] Joaquin Mejia said that there were a number of incidents at the PLI general assembly, but that they had no effect on the party's democratic image. Mejia described himself as a strong critic of PLI President Dr Virgilio Godoy. He said that Godoy could occupy other positions within the PLI, but added that while Godoy is an important party figure, he is not God and should not be worshipped.

Dr Virgilio Godoy is undoubtedly the PLI leader with the greatest national and international prestige. However, he faced strong criticism by fellow party leaders yesterday during a convention at the Ticomo Hotel. Dr Virgilio Godoy showed great maturity in facing criticism, our sources reported. Most participants voted for Dr Virgilio Godoy Reyes' reelection. [passage omitted]

What follows are statements by Joaquin Mejia, who was elected PLI vice president last night:

[Begin recording] [Passage omitted] I was not on Godoy's slate of candidates, but was elected vice president. Godoy had to make great efforts to get his protege Guillermo Selva elected as vice president also. Moreover, although he managed to get reelected, another small defeat Godoy suffered was that the entire slate of candidates he has supported from the beginning was immediately rejected by a majority at the assembly. A struggle ensued, and another opposition candidate, Juan Manuel Gutierrez, was also elected vice president. [passage omitted] [end recording]

* Economic Reform Strains Discussed

Sandinist Power Threatened

WA32480007 Managua BARRICADA in Spanish 20 Sep 88 p 3

[Editorial by Carlos F. Chamorro B.: "A Counterbalance to the Economic Logic Is Lacking"]

[Text] The economic reform implemented in February of this year and the subsequent adjustments in June and August have introduced major changes in the logic of the country's economic workings. Even the political adversaries of the revolution have acknowledged that there are some encouraging, albeit embryonic signs that the economy is being straightened out. The recovery of companies' management capacity, the trend towards the reestablishment of the system of relative prices, the stabilization of the black market for foreign exchange and a better allocation and utilization of imported inputs and materials are some of these signs. In the final accounting, and even though the economic imbalances leave little maneuvering room, "economic transparency" is beginning to predominate in the country. Efficiency is finally becoming a guiding parameter in decisionmaking.

Nevertheless, the effort to retake the reins of the market has social and ideological repercussions that are seemingly not being analyzed with the same thoroughness. The new economic policy has invalidated a series of concepts that for years represented to many sectors a road map towards and an attachment to the Revolution's economic agenda and that even became rallying cries and guidelines for mass action. "Social control," "secure channels," "price controls," "government subsidy," "preferential prices for the peasantry," etc. are banners of a bygone era that has been left behind by reality.

In addition, the establishment of a new economic logic entails a sudden break with perceptions, whether encouraged or not, that the Revolution was synonymous with "egalitarianism" and indiscriminate government protection.

The change was unassailable and necessary. However, the absence of new codes that would give social meaning to the current economic policy, or to put it differently, the inadequate decoding of this policy in the form of guidelines for interpretation and action for those who neither own nor run businesses, has created the impression that there is a vacuum at this crucial point in the transition as the measures are being implemented.

So far the emphasis has been placed, quite rightly, on the fact that the economic policy is consistent with the need for this Revolution of "socialist orientation" to survive. But what will happen between now and the future needs to be spelled out, and not just in political terms. This is a key requirement for preserving Sandinist hegemony and so that the economic policy is taken up as a conscious social practice, not just as induced behavior.

The other predominant emphasis these days is the unquestionable importance that is being attached to the need to restore "management skills" at a time when the ground rules of the mixed economy and, therefore, the leeway of each economic agent have been clearly delineated.

It seems to us, however, that like emphasis has not been placed on the unavoidable need for labor to regain its bargaining power. Above and beyond the objective fact that the conditions are now present for the unfettered

setting of wages, the influence of the unions in the running of companies now takes on paramount importance, economic importance, obviously, but political importance too.

The social value of labor, individual and group effort, and labor and technological initiatives cannot be subordinated exclusively to successes in management. Either the unions act like unions now or they will cease to be unions, because we cannot ignore that the maneuvering room established for decisionmakers by the laws of the market is rife with contradictions. Adjusting costs, setting prices and establishing standards and incentives are economic decisions, now more than ever, but they entail an enormous burden of social responsibility.

The manner in which these contradictions are resolved depends greatly on how aggressive the unions become, and this is closely tied to the degree of democracy and involvement that exist in labor groups, be they private or state run. The other side of the issue has to do with the efforts that state bodies intend to spur so as to reconcile interests. But without an active counterbalancing effort by the workers in their dual role as productive wage earners and consumers, the efforts at reconciliation will be less effective.

Hence the urgent need to chart new plans of action at work places and in local neighborhoods, plans that are in keeping with the existing economic laws. Otherwise, the unions could lapse into do-nothingism, or the perception that consumers are defenseless, which they now are, could be perpetuated.

Price 'Madness'

WA32480007 Managua BARRICADA in Spanish 20 Sep 88 p 3

[Editorial: "Price Madness at Managua Markets"]

[Text] What price madness at Managua markets! Two weeks ago a pair of sneakers cost 4,000 cordobas; now they sell for 8,000 or 9,000.

A prewashed skirt or pair of pants costs 9,000, 10,000 cordobas. Imported deodorants used to sell for 1,000 cordobas a couple of weeks ago, but now, "You can have it for 3,000.... How about it?"

Business in the capital has returned to a custom that it gave up some 5 years ago: offering goods to customers, but at higher and higher prices.

Four bananas for 200 cordobas, a piece of pumpkin 50, bell peppers 50 each, toothpaste 150, a large loaf of bread 120 to 180, a pipian [type of gourd] 50, a quequisque [type of yucca] 100, a pound of rice 180, and beans at 100 cordobas a pound.

A pound of ground coffee 400 cordobas, cabbage 150 cordobas, onions at 100 and 200 cordobas a dozen....

A liter of oil 400 cordobas, a dozen eggs down to 300. This is the only item whose price has dropped on the market; the other items keep on rising.

In fact, the profiteers who sell oil see newsmen as cause for concern and pull out their kitchen knives. "I'll give this son of a...what he deserves," said an unfriendly looking woman who was selling many liters of oil north of the meat and lunch shed in the Oriental Market.

It got worse when she saw the camera. She took out her knife and rushed at the newsman. Seconds later, though, they fled as the Sandinist Police showed up.

A dozen bananas, 150 cordobas. Oddly enough, oranges are among the least expensive perishable items, 80 to 100 cordobas a dozen.

Who Enforces the Controls Now?

Who enforces the controls now? No one! At the Oriental Market the illegal and legal merchants have again taken over the streets, and it is hard to walk around at present.

They have also taken over Dupla Sur, in other words, on the other side of the fence. There is no longer a passageway to the south and east from where the Jardin del Calzado [footwear garden] used to be.

We ask at the Oriental Market manager's office who is in control. The reply: "No one." The "legalized" black market is growing north of the Oriental Market.

In other words, the physical overhaul that had been completed, as well as the price controls, have fallen apart. Unfettered supply and demand, as a result of which the high prices charged by the merchants win out.

At Huembes

At the Carlos Roberto Huembes Market there are controls against the illegal merchants but not on prices.

Prices are verifiably higher at Huembes than at the Oriental. For example, at the Oriental you get three balls of soap for 300 cordobas; at Huembes they cost more than 200 each.

Two large tomatoes go for 100 cordobas at Huembes and 50 at the Oriental. Such is the "price madness" at capital city markets.

Ranchers, Vendors Scored

32480007 Managua BARRICADA in Spanish
27 Sep 88 p 3

[Editorial: "Urgent Need To Salvage Meaning of Economic Reform"]

[Text] This week the National Livestock Commission began a process of rapprochement and discussion with all of the sectors involved in the production, distribution, and marketing of meat, in an effort to resolve the various problems plaguing this fundamental sector of the national economy.

The rapprochement would seem to be the result of the heavy tensions that the constant rise in prices has caused over the past few weeks, including increases of more than 100 percent in the price of meat at markets, an excessive tightening of demand and threats to bankrupt many market vendors.

The issue manifests itself in various ways, depending on the segment of society involved. First off, we must acknowledge that each sector has its own problems, interests and aspirations, most of which are just. The producer has just as much of a right to receive a fair price for his livestock as the market vendor does to earn a livelihood.

The problem is that so far these two sectors, the producers and the merchants, have placed their individual interests above the interests of the consumers and at a great remove from the country's situation and its new economic logic, and the government's executive body (ENAMARA or the Meat Corporation or even the Livestock Commission) has not yet discharged its function of straightening out the economy of the livestock sector.

We could say that so far the behavior of the meat producers and merchants has been marked by excessive individualism, an "every man for himself" attitude, even, and especially, after the economic reform begun in February.

If any one sector ought to feel stimulated by the reform, it is the producers. The movement of the exchange rate protects them from the distortions caused by the war and inflation, guarantees them an acceptable profit margin and, at the same time, encourages them to keep on producing. For example, the price of a 400-kg steer, which used to cost 20,000 cordobas in June, has now risen to 48,000 cordobas on the average, plus the incentives in dollars ($9 per 400-kg steer).

This movement thus insures the ranchers, as well as the farmers, a support price that protects them against market fluctuations. We should also recall that the production costs of livestock raising are lower than those of farming, because the fundamental raw material, cattle, is not imported and accounts for 90 percent of total costs.

This does not mean that the current price is an excellent one nor that producers have an opportunity to become rich by selling their cattle at an average of 48,000 cordobas. We know that prices are lower than those received by producers in other countries; nevertheless, given economic conditions in Nicaragua, we can speak of a reasonable price that enables livestock activity to survive and earn a minimum profit margin.

Then come the vendors at the markets, the merchants. First of all we must say that although there has been a sharp rise in prices, at no time has it been excessive. Except for export meat, which is distributed on the domestic market only to first-class restaurants and tourist centers, no cut costs more than 284 cordobas a pound (sirloin); the other cuts, in descending order, are: short loin, 265; rump, 242; hind shank, 221; low-cost beefsteak, 198; and cured meat, 172. Meat prices in Nicaragua are still the lowest in Central America.

Nevertheless, market prices are in almost all cases 100 percent higher. It is not ENAMARA that sells sirloin at 500 cordobas a pound; ENAMARA sells it for 284. It is the merchants that sell it for 500. And with the huge reduction in money in circulation in the country, this is a "suicidal price," commercially speaking, because it does not take much thought to realize that people cannot afford this high a price.

Furthermore, the dizzying rise of the black market in meat (more than 50 illegal stalls at the moment at the Oriental Market, not counting the ones in local neighborhoods) shows that the Livestock Patrimony Defense Law has been shelved. The feeling is that each illegal vendor markets a daily average of three steers; since all of them are rustled or killed clandestinely, they are improperly slaughtered, and thus their potential yield is wasted. This gives us an idea of what such amounts mean to the livestock herd, especially when we realize that this is happening nationwide.

The black market destabilizes the legal market, because logically on the black market the consumer does not pay what the meat is really worth. Practically everything is profit for the illegal vendor; some of them even operate without making any investments other than in their own business. This is why prices are lower.

Other problems should also be mentioned, such as the lack of refrigeration systems at the markets and the merchants' complaints about irregularities in the weighings and the content of the meat cartons that ENAMARA supplies.

Behind this diversity of problems we can see that producers, merchants and state institutions are obviously failing to grasp the real meaning of the economic reform. The producers are endeavoring absurdly to become millionaires overnight; the merchants are defying the laws of the marketplace and thereby paying the consequences; and the state agencies are, on the one hand,

allowing the distortions that the flourishing black market causes to spread uncontrolled and, on the other, are adding their own little bureaucratic pitfalls.

A real concerted effort is needed. First of all, the black market must disappear as much as possible. There is a law banning it and penalizing the illegal sale of hot meat in Managua. It need only be strictly enforced.

Second, all of the sectors involved must adhere strictly to the new economic logic, that is to say, the collective effort to boost output and productivity, to cut costs and to respect the laws of the marketplace. And something else very important: to replace the mind-set of producing or selling to grow rich with another, fairer one that is more in keeping with the country's situation.

Whether we like it or not, the country is at war, and in a war one works to survive, not to grow rich.

Let us hope that the process begun by the National Livestock Commission helps to correct these problems, for the good of consumers.

Panama

Participation in U.S. Base Incident Denied

PA0211014188 Panama City ACAN in Spanish 0041 GMT 2 Nov 88

[Excerpts] Panama City, 1 Nov (ACAN-EFE)—FDP [Panama Defense Forces] spokesman Major Edgardo Lopez Grimaldo categorically denied today that Panamanian military personnel were involved in the shoot-out that, according to the U.S. Southern Command, occurred near a U.S. military base last night.

Maj Lopez Grimaldo told ACAN-EFE that "there has been no confrontation between U.S. Marines and FDP members." He thus denied Washington reports that implied that Panamanian military personnel had participated in the incident. [passage omitted]

Commenting on the U.S. report, the military spokesman accused the Southern Command of "repeating the palm tree story." He was clearly referring to an incident in April when the United States reported that U.S. forces had shot at a group of 30 intruders and were unable to prove it. The FDP at that time accused the United States of "having shot at palm trees."

Other sources reported to ACAN-EFE that 17 residents of the area near the U.S. base have been interrogated and have stated "that they did not see or hear anything." [passage omitted]

U.S. Maneuvers Reportedly Not Coordinated

PA0211023088 Panama City Televisora Nacional in Spanish 2300 GMT 1 Nov 88

[Text] Reports received by Televisora Nacional indicate that the U.S. Army is carrying out military maneuvers in the vicinity of Taboga and Taboguilla without prior coordination with the combined defense junta.

According to our source, these distracting maneuvers are the joint effort of three unnumbered U.S. patrols and armored Cobra and Black Hawk helicopters. We have been told that so far the U.S. members of the combined junta have not informed Panama of the purpose of the maneuvers, which violate the Torrijos-Carter treaties.

Columnist on U.S. 'Failure' To Oust Noriega

PA0211033688 Panama City LA REPUBLICA in Spanish 31 Oct 88 p 5

[From the "Voz Populi" column by Luis Restrepo]

[Text] Elliott Abrams, assistant secretary of state for Latin American affairs, admitted in Washington during a television interview broadcast last Saturday night that "the United States has failed in its attempt to oust Panamanian nationalist leader General Manuel Antonio Noriega. [quotation marks as published]

Abrams publicly admitted this in a broadcast that was heard by millions in the United States as well as all over the world. A total and complete failure by President Ronald Reagan, who has had no other alternative but to admit this, making his puppet Elliott Abrams appear to be the "scapegoat."

Such a groundless campaign had to fail. It was based on statements by traitors, prisoners sentenced for drug trafficking, venal and/or turncoat senators, and many others who were bribed.

The entire platform of insults, slanders, and lies cruely created to eliminate the Panamanian nationalist leader, has collapsed because its foundations were weak, because it was built in quicksand, and because the United States was never able to present specific evidence to support its charges.

While President Reagan is retiring from the high post he holds to enter the shadows, the Panamanian general has become an international leader—a leader who was able to maintain the moral strength capable of confusing his enemies, of upsetting their plans, of annulling their maneuvers, of making the truth shine, which was always well known: that it was just a plot, which could even include the murder of Gen Noriega if the circumstances were favorable.

Gen Noriega received the support of Panamanian nationalists. [He also received] the support of 2 million Latin Americans and millions of Third World combatants struggling for the people's liberation.

Truth has prevailed. Those who set up the "vile plot" are "passing it on to the new U.S. President," as Abrams announced. The liar Reagan and Shultz are sinking into oblivion together with all the subordinates who served as their pawns.

History will continue its course, and in the history of the fatherland, the aggression against Gen Noriega will be another chapter of the continuous U.S. aggression against Panama, its leaders, and its people.

[Noted Panamanians] Justo Arosemena, Mateo Iturralde, Leon A. Soto, Guillermo Andreve, Belisario Porras, Carlos A. Mendoza, Francisco Filos, Facundo Mutis Duran, Domingo H. Turner, Omar Torrijos Herrera passed from hand to hand the flag of sovereignty and dignity of Panama and its people that is now being raised by Gen Manuel Antonio Noriega.

FMLN's Villalobos on Need for L.A. Support

PA0111153688 Panama City ACAN in Spanish 1411 GMT 1 Nov 88

[Report by Andreu Claret]

[Text] Panama City, 1 Nov (ACAN-EFE)—FMLN leader Joaquin Villalobos, in exclusive statements to ACAN-EFE in Panama City, said that "Latin America must help attain Central America's liberation."

"We perceive throughout the continent the existence of a new spirit of independence from the United States," the FMLN leader asserted. He, along with an important Salvadoran guerrilla delegation, is touring several Latin American countries.

Villalobos and other FMLN commanders arrived in Panama City on Sunday to hold a meeting with Salvadoran Archbishop Arturo Rivera y Damas to discuss the possibility of negotiating an end to the war that has caused the deaths of over 60,000 people.

The guerrilla leader optimistically assessed the interviews with Presidents Alan Garcia (Peru), Oscar Arias (Costa Rica), Rodrigo Borja (Ecuador), and Manuel Solis Palma (Panama), as well as those with other Latin American political leaders.

The guerrilla commander also expressed his hope for what he termed a "new international scenario," referring to the USSR-U.S. negotiations to settle several regional conflicts and the changes achieved in the USSR under perestroyka.

"We cannot wage a closed revolution [una revolucion cerrada] in an open world," Villalobos emphasized.

Villalobos asserted that the FMLN delegation's views "were received with enormous interest" by Latin American participants. He said that the tour's success was possible primarily because "all agreed on the need to attain a political solution for the Salvadoran and Central American people, without brooking U.S. Administration interference."

Villalobos said: "The Latin America that expelled Cuba from the OAS will never return."

Born in San Salvador 38 years ago to a wealthy family, Joaquin Villalobos leads the People's Revolutionary Army (ER), one of the five FMLN "politico-military" organizations.

According to Villalobos, the FMLN's Latin America tour—described by the Salvadoran guerrillas as a "diplomatic offensive"—is aimed at "assuming direct control over our participation in the Central American peace process," despite "Salvadoran and Honduran resistance."

Villalobos added: "We are trying to change the situation that has existed since the signing of the Esquipulas agreements in August 1987, when we were present only as a fringe group."

However, Villalobos denied that the purpose of the FMLN tour is to garner support from various Latin American countries for the FMLN's inclusion in the upcoming OAS Assembly to be held in San Salvador in mid-November.

The guerrilla leader said that "the new (Latin American and international) scenario influences the course of revolutionary changes in El Salvador."

Indirectly referring to the Cuban revolution, Villalobos asserted: "We cannot act as if we were facing 250,000 armed Marines in Florida." He added that "others have had to take different measures."

The FMLN leader insisted on the existence of "an increasingly multipolar world," in which, according to him, "it is now too simplistic to talk in terms of capitalism and socialism and East and West."

Villalobos even referred to the United States—the main ally of the government against which the FMLN is fighting—in terms implying the possibility of a dialogue; he called the United States "a powerful nation with an inevitable influence in Central America and one with which we must maintain good relations."

Villalobos pointed to the "increasingly important role played by Europe in Central America," and concluded that "the European perception when compared to the U.S. perception of the various revolutionary movements leads us to seek more varied support."

FUP Considers Withdrawing From Commission

PA0211024788 Panama City MEDIODIA in Spanish 31 Oct 88 p 8

[Text] The People's Unity Front (FUP) plans to withdraw from President Manuel Solis Palma's advisory commission following the government's refusal to implement a number of proposals presented to the executive branch to overcome the country's current crisis.

According to a FUP spokesman, during a recent meeting among the groups that comprise FUP, it was agreed to evaluate FUP's participation in the presidential advisory commission. He added it is possible the organization will announce its withdrawal after the independence day holidays.

FUP is made up of the National Federation of Public Employees (Fenasep), the National Council of Organized Workers (Conato), the National Confederation of Peasant Settlements (Conac), and the Coordinating Board of State Workers Unions.

In a statement to MEDIODIA, the source said the government "has mocked" the people's movement by not implementing the agreements that resulted from the national dialogue.

As an example, he mentioned the government's refusal to implement a proposal to face the cash shortage and establish "supply units."

The FUP spokesman said that during the national dialogue, his organization stressed the need to create a government of national unity, a proposal that government political forces rejected. He added that after that, "in a gesture of goodwill," FUP agreed to take part in the advisory commission in order to promote the other proposals.

However, "practically none of our recommendations have been carried out, and therefore it is possible that we might decide to withdraw from Solis Palma's advisory commission," he concluded.

Report on Rising Unemployment, GNP Decline

PA0111235088 Panama City Domestic Service in Spanish 1645 GMT 31 Oct 88

[Text] The crisis caused by U.S. aggression against Panama has led to a 66-percent increase in the Panamanian unemployment rate. A report presented by the Panamanian Planning and Economic Policy Ministry states that unemployment in 1988 will increase by 64 percent compared to 1987 levels.

The Social Planning Office of the ministry is determining the effects of the Panamanian political and economic crisis on the country. The crisis began in June 1987 and worsened with the economic sanctions unjustly applied against our country by a foreign power.

Estimates are that there will be an approximately 20-percent drop in Panamanian GNP in 1988 compared to 1987. The report adds that the close relationship between the country's economic growth and the unemployment rate explains the decline in the GNP.

PCC Representative Protests Violations

PA0211001388 Panama City Circuito RPC Television in Spanish 2300 GMT 31 Oct 88

[Interview with Carlos Osores, Panamanian representative to the Panama Canal Commission, PCC, Board of Directors, by an unidentified reporter in Panama City; date not given—recorded]

[Text] [Osores] We sent a letter to William Gianelli, chairman of the PCC Board of Directors, concerning a number of measures taken in the last two meetings, in which Panama did not participate because the United States insisted upon adding a political ingredient to the meeting. The U.S. representatives invited Juan B. Sosa [Panamanian ambassador to the United States under Eric A. Delvalle].

At those meetings, it was unilaterally decided to give the PCC executive secretary power that places him above the authority of the PCC Board of Directors and practically above the PCC administrator. In other words, they [not further identified] are getting ready for the end of next year, when a Panamanian citizen is supposed to be in charge of the PCC. With that measure, the Panamanian administrator will be subordinate to the PPC executive secretary, who will limit the administrator's functions. That is completely arbitrary. That is the core of our protest. We have been fearing the appointment of a chief engineer, who was supposed to be above the authority of the PCC administrator. They, however, found a way, which is a complete violation of the canal treaties. They placed the PCC executive secretary above the authority of the PCC administrator. Currently, the PCC executive secretary has more authority than PCC Administrator Dennis McAuliffe.

The intention of this measure, however, is for McAuliffe to put up with the situation so when the Panamanian administrator is appointed, he will be forced to accept the situation.

[Reporter] Does that mean that the U.S. representatives to the PCC Board of Directors are making all the decisions concerning the canal?

[Osores] Everybody knows that even at a normal PCC Board of Directors meeting—with the participation of the Panamanian representatives, that is—the United States is the majority, because the PCC Board of Directors has five U.S. representatives and four Panamanian ones. At the meetings in which the Panamanian representatives participate, however, Panama has always limited the U.S. arrogance and prevented the U.S. representatives from taking certain measures. Panama can make

proposals when it participates at the meetings. The lack of Panamanian participation has made things easier for them. Our nonparticipation is not an irresponsible act—like they claim. We cannot accept the addition of political overtones to such a technical and specialized issue.

Editorial Criticizes Group of Eight Position

PA0111201188 Panama City CRITICA in Spanish 31 Oct 88 p 4

[Editorial: "Contradictory Position"]

[Text] The ideology of the countries comprising the so-called "Group of Eight"—an addition to the "Contadora Group," which includes Panama—in declining to render a decision on Panama's legal standing, proves that our long-standing struggle against Yankee colonialism must change and Panamanians must rely on the people more than they do on opportunistic continental governments. Panama has a democratic, representational government in accordance with the Magna Carta, which indicates what procedure had to be followed after the treason committed by Delvalle, the puppet.

The contradictory position of certain governments was evident, despite the support given to President Dr Manuel Solis Palma at the UN General Assembly. If those countries attended the UN General Assembly to hear about the upright stand of Panama's constitutional president, how can you explain their abrupt change during a meeting of the group that was actually founded by Panama? It seems that certain government leaders are trying to directly negotiate with the Yankee empire on the basis of their support, or the withdrawal of their support, for the Panamanian cause. Others are playing the elections game because they desperately want to prolong their political power, and they feel that they would lose this power if they support Panama.

Similarly, there are others who have been intimidated by the infamous campaign of discredit, slander, and insults against Panama—its people, government, and leaders.

We hope that those governments that now have a contradictory position will never have to withstand the harsh conditions currently being faced by Panamanians.

Opposition Parties To Participate in Elections

PA0111170488 Panama City Circuito RPC Television in Spanish 2300 GMT 31 Oct 88

[Statement by Electoral Tribunal President Yolanda Pulice de Rodriguez; date and place not given—recorded]

[Excerpt] [Passage omitted] As you are aware, elections are not the only requirement for democracy. The holding of elections is, shall we say, the final step in a political process involving the participation of the people, the political parties, and the Electoral Tribunal. In other words, many factors must be taken into account for this election day [9 May 1989] to end successfully.

The Electoral Tribunal prepared a draft law which, I am glad to say, was approved by the Legislative Assembly and contains the legal provisions we will follow during the 1989 elections. The Electoral Tribunal issued Decree No 44, which describes all the activities to be carried out on specific dates and is applicable to anyone wishing to take part in the elections. It follows that we are ready to serve everyone on an equal basis.

Regarding your question as to whether or not opposition political parties are taking part in the elections process: They are, in fact, taking part. Opposition political parties are registering new members. The Authentic Panamenist Party registered new members a few days ago. The Christian Democratic Party sent several letters to the Electoral Tribunal asking for copies of its lists. It noted that several names had been omitted and asked that these names be added to those lists.

The People's Party is going to obtain legal status. The Authentic Liberal Party obtained its certification as a legally recognized organization a few days ago. Thus, this further answers the question concerning the opposition political parties' participation in the elections process. All of the parties I have just mentioned are opposition parties.

Opposition Party Leader on Talks in Venezuela

PA2910023588 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Oct 88

[Text] Five opposition legislators traveled to Venezuela to meet with Venezuelan President Jaime Lusinchi and members of the Chamber of Deputies to explain Panama's current political situation. Christian Democratic Party [PDC] Legislator Guillermo Cochez made the following statements regarding his trip:

[Begin recording] We—PDC Legislator Carlos Arellano Lenox; Marco Alarcon; Authentic Panamenist Party Legislator Vianor Serracin; MOLIRENA [Nationalist Liberal Republican Movement] Legislator Jaime Fernandez; Labor Party Legislator Arturo Vallarino; and I—left for Venezuela on Monday and returned today, Wednesday. We traveled to Venezuela to participate in a discussion on the current political situation in Panama sponsored by the Venezuelan Chamber of Deputy's Foreign Affairs Commission.

Politicians, diplomats, university students, journalists, and intellectuals interested in Panama's current political situation took part in this discussion. It was a very interesting discussion and we were able to explain to the Venezuelan people what is happening in Panama.

During our stay in Venezuela, we met with Jose Rodriguez Iturbe, president of the Venezuelan Chamber of Deputies, who expressed the Venezuelan people's support and solidarity for our cause. We also received the support and solidarity of the two most important Venezuelan political parties, Democratic Action and COPEI [Social Christian Party]. They are very worried about the

situation in Panama. They are so worried that they told us that on 21 and 22 November, a delegation of Venezuelan parliamentarians will visit Panama and meet with the opposition and the government. They wish to get a clear picture of what is happening in the country.

Furthermore, the Venezuelan Government yesterday decided to continue urging Panama, through the Group of Eight, to restore democracy in the country. They have said that as long as this is not done, Panama will not be allowed to participate as a member of the Group of Eight. Venezuelan President Jaime Lusinchi will be attending the Group of Eight summit, which began today in Uruguay. President Jaime Lusinchi has reiterated his support for the democratic cause of the Panamanian people and their desire to live in freedom. [end recording]

Labor Union Protests Attachment Measure

PA0111010188 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Oct 88 pp a-1, d-3

["Open letter" to the Ministry of Finance and Treasury's director general of revenues from Sidney Richards, secretary general of Local 907, labor union of U.S. Defense Department employees in Panama; dated 25 October]

[Excerpts] 25 October 1988 Open Letter to Mr Director General of Revenues Ministry of Finance and Treasury Panama City

Dear Mr Director:

In response to the Ministry of Finance and Treasury's special announcement published in LA ESTRELLA DE PANAMA on 17 October, in which the ministry states it will begin legal attachment measures to collect income taxes that were withheld and not turned over to the national treasury, we state the following: [passage omitted]

a. We believe that attachment authority should be applied solely and exclusively to companies in arrears in their payments to the national treasury, because that authority is applicable to those who are in default—in this case, our employer, who is withholding the taxes from the employees' wages and not turning them over to the Republic of Panama.

b. The employer, as the withholding agent, is independently responsible under our laws. We do not believe the legal process of attachment is applicable to the employees instead of the withholding agent.

c. Similarly, we believe the deductions were made from the employees' wages in accordance with a legal instrument or law, and thus within the same leagal framework, if the withheld taxes were not turned over to the national treasury, the employer is to blame and the appropriate action should be taken against the employer, not the employee.

d. Therefore, it is the government's duty to enforce the law with respect to the employer who is in default and protect the citizens' property.

We thank the director for his attention to our note and we close with every recognition of his many duties. For the Board of Directors
Sidney Richards
Secretary General

Revolutionary Groups Express Support

PA0211011788 Panama City CRITICA in Spanish 31 Oct 88 p 16

["Letter of Solidarity" from Latin American revolutionary groups to the Revolutionary Panamenist Party—date and place not given]

[Text] To members of the Revolutionary Panamenist Party:

The interests of our Latin American peoples have been defended with patriotic dignity. This is how it has been throughout our history, and this is how it will remain until we attain our complete and total independence. The principles inherent in our struggles are firmly entrenched. They will not be given up or sold out, despite all the pressure, blackmail, threats, slanders, attacks, and danger we face. The northern imperialism does not understand, nor will it ever understand, just how strong our principles are. The fact that our countries are poor does not put into question our morals or our love for the land in which we were born, our fatherland. Quite the contrary. Our patriotic fervor enabled us to break the chains of Spanish colonialism in fierce battles that over time have become for us sources of inspiration. We will attain the strength necessary to achieve the true freedom for which we yearn; the freedom for which so many heroes and martyrs lived and died; the freedom for which so many great men in our recent past, among them your eternal Omar Torrijos, struggled. The current leaders of our glorious sister nation, Panama, know how to defend the banners of patriotism and national dignity.

We see your Defense Forces Commander General Manuel Antonio Noriega as a strong and brave leader who is the worthy patriot that the Panamanian brothers deserve. We also believe that these same qualities are evident in the person who assumed the Presidency at a difficult and dangerous time for your country: President Solis Palma. The patriotism you have exhibited has won for you the esteem and admiration of the whole world. The Latin American people, who live on the same continent, have the same history, language, and religion, hold you in high esteem since we are able to understand the great courage of our Panamanian brothers, their defense forces, and their leaders. The immoral U.S. pressures have strengthened the Panamanian people's patriotic banners of dignity, and they now demand, with growing strength, compliance with the Torrijos - Carter treaties. The canal is and will be Panamanian. The

Panamanian territory will not be used as a Yankee military base. The Panamanians have already said: Enough! Enough of your domination!

This is why, dear brothers, we are proud of your example and express our solidarity and admiration to you for nurturing the much-needed Latin American unity to confront the common enemy that has inflicted so much damage on our countries and our peoples. We are sure that you will triumph because your cause is just. We will all triumph.

We extend our message of solidarity to the Panamenian people in these difficult times as they confront U.S. aggression through the Revolutionary Panamenist Party and its leader Luis Gaspar "Toty" Suarez.

We present written evidence of our solidarity with you from one of our continent's places of freedom [not further identified]. Signed: Alfaro Lives Dammit—Ecuador
FARC—Colombia
Socialist Bloc [Bloque Socialista]—Dominican Republic
M-19—Colombia
Manuel Rodriguez Patriotic Front—Chile
Camilist Union—Army of National Liberation—Colombia
Tupamaros National Liberation Movement [Movimiento de Liberacion Nacional Tupamaros]—Uruguay

15,000 Tons of Unsold Sugar Sent to France

PA2810232788 Panama City MATUTINO in Spanish 27 Oct 88 p 12

[Summary] In view of the U.S. embargo on purchases of Panamanian products, the Agriculture Ministry and other Panamanian Government offices have made arrangements with French officials to sell to France a major portion of the sugar that has not been sold to the United States. As a result, 15,000 tons of sugar were shipped from Port Pedregal to France a few days ago. The same offices are making arrangements to sell the remaining sugar to other friendly countries.

Argentina

Alfonsin To Visit Italy, FRG in November

PY0111222588 Buenos Aires TELAM in Spanish 1903 GMT 1 Nov 88

[Text] Buenos Aires, 1 Nov (TELAM)—President Raul Alfonsin will visit the FRG from 23 to 26 November, upon concluding his visit to Italy, Argentine Foreign Ministry sources have reported.

Alfonsin will visit Bonn at the invitation of FRG business organizations. The objective of his visit will be to expand bilateral economic relations, the sources added.

Before visiting the FRG, Alfonsin will travel to Italy to consolidate the international economic agreements signed with Italy. These agreements are the so-called "private partnership treaties."

Caputo Says Falklands Negotiations 'Must Begin'

PY0111014588 Buenos Aires TELAM in Spanish 2035 GMT 31 Oct 88

[Excerpts] Buenos Aires, 31 Oct (TELAM)—Foreign Minister Dante Caputo has stated that negotiations with Great Britain over the Malvinas Islands issue must begin. But he added that no negotiations can be undertaken if Argentina has to take a step back regarding the sovereignty issue. Caputo said his best achievement as foreign minister was the solution to the Beagle Channel dispute because war was avoided. He said: This justifies the country and my administration. [passage omitted]

Caputo made this statement during an interview in a Channel 13 program called "With You," during which he answered questions on relevant issues. [passage omitted]

Regarding the Malvinas Issue, he said we are acting firmly but prudently. He stated facts such as the war was lost and we are dealing with a British Government that does not understand the situation. He added: We want to hold a dialogue. We want to start a dialogue but without having to take a step back on the sovereignty issue.

Fishing Agreement With Soviet Union Renewed

PY0111002988 Buenos Aires CLARIN in Spanish 31 Oct 88 p 27

[Text] Despite opposition from the Justicialist Party [PJ] and the industrial fishing sector in Mar del Plata, who have charged that the country's fishing resources are being depleted, a fishing agreement with the Soviet Union has been automatically renewed for 2 more years.

This information was supplied by the secretary for fishing [title as published] of the Argentine Agriculture, Livestock, and Fishing Secretariat, Luis Jaimes, who did not elaborate on the matter.

The other fishing agreement, signed with Bulgaria, has not yet been renewed. According to the press agency DYN, the renewal of this agreement will not be approved. Many accusations have been made, stating that the Bulgarian Government has not complied with a number of requirements stipulated in the agreements signed with Argentina.

Before signing the agreements, both the Soviets and the Bulgarians were operating in Argentine territorial waters with the approval of the Argentine authorities. However, Soviet trawlers increased their catch by 154 percent-,while Bulgarian trawlers increased their catch by 350 percent.

In fact, Luis Otero, the Buenos Aires Province fishing and maritime affairs under secretary, has expressed his concern over the possibility of an unrestricted opening of "our territorial waters to the activities of foreign fishing fleets, which, in the short term, would cause our main fish species to vanish."

Otero obviously referred to an amendment of Article 2 of Law No. 17500, an amendment now being reviewed. If this amendment is approved, "the negative impact caused by these fleets in other fishing areas in the world" could be repeated.

Radioactive Contamination of Water Denied

PY3111215688 Buenos Aires DYN in Spanish 2148 GMT 28 Oct 88

[Text] Buenos Aires, 28 Oct (DYN)—This evening the CNEA issued a communique claiming that "the operation of the Ezeiza nuclear center has not produced any radioactive contamination in underground water supply." The CNEA thus dispelled press reports in this regard.

The CNEA released the communique due to "press reports circulated by some mass media on 27 and 28 October charging that there is radioactive contamination in the underground water supply in Ezeiza and nearby areas, or that there is a possibility that the underground water supply may soon become contaminated."

The report based on a study by the National Hydraulic Science and Technology Institute, claimed that the CNEA does not take precautionary steps to avoid contamination. After denying the contamination, the CNEA maintained that "this commission has controlled the level of radioactivity in the underground water supply that feeds the population."

The CNEA said that the underground water supply has been under systemic control for 20 years, that no radioactive contamination has been detected, and that the results of these control tests are available to anyone who wishes to see them.

The CNEA added that "it is not true that it is impossible to measure the radioactivity of the underground water supply to find out whether it is contaminated. Any sample of the water that is consumed by any house can be analyzed for this purpose."

Chilean Plane Returns; Espionage Ruled Out

PY3111214388 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1630 GMT 31 Oct 88

[Text] Comodoro Rivadavia, 31 oct (NA)—A Cessna plane bearing a Chilean license, which made an emergency landing on 28 October, has returned to Chile with the four military men who were flying it—two of them on-duty Army members—sources in charge of the investigation said today.

The plane, which stayed 24 hours at Alto Rio Senger airstrip, departed after another Chilean plane brought the spare parts needed for repairing the Cessna.

The Cessna's landing caused excitement in this small border town, because shortly before landing, the plane overflew Argentine Army troops who were on routine exercises, military sources said.

Two military men, a Carabinero, and a retired Air Force officer, whose names were not released, were aboard the plane.

The Cessna pilot said that he had to divert from his original course due to a "strong stormy wind" and because of a fuel shortage. The original plan was to go to the Chilean towns of Coihaique and Lago Verde, which is located northeast of Alto Rio Senger.

The plane is owned by the Don Carlos Company, one of whose planes crashed in Argentine territory in 1986 killing all the passengers.

Press reports said at first that the Cessna might have been engaged in espionage, but this was denied by military sources.

Air Force Plane Taking Aid Nicaragua Returns

PY0211112288 Buenos Aires TELAM in Spanish 2136 GMT 1 Nov 88

[Text] Buenos Aires, 1 Nov (TELAM)—The Foreign Ministry has reported that the Argentine Air Force Boeing 707 DC-93 plane, which took emergency help to Costa Rica, El Salvador, and Nicaragua on 30 October, has returned to the country. The emergency help was meant to help the many victims of Hurricane Joan that recently hit these Central American countries.

The help sent by Argentina consisted of 18 tons of medicine for 10,000 medical treatments, food boxes from the National Foodstuff Program, blankets, windbreakers, T-shirts, and mattresses.

Brazil

Talks Held With Soviet Officials on Trade

PY0211001088 Brasilia Domestic Service in Spanish 2100 GMT 1 Nov 88

[Text] President Jose Sarney's visit to the Soviet Union has already begun to yield results.

This morning, Soviet Government representatives sat at a table with the presidents of Petrobras, Vale do Rio Doce [a state-owned company with interests in transportation, electric power supply, mining, among others], Sidebras [Brazilian Iron and Steel, Inc.], and Eletrobras [Brazilian Electric Power Companies, Inc.] to assess the new trade cooperation projects between the two countries. The chairmen of the National Economic Development Bank, [BNDE], the Central Bank, and Bank of Brazil also participated in the meeting.

Sergio Rodriguez, the meeting's spokesman and an adviser to the BNDE president, said the meeting was intended to harmonize the effort of the two nations to increase trade and investments.

Sergio Rodriguez announced, however, that the Soviet Union wants to increase equipment exports for the Brazilian state-owned companies while our banks are interested in financing projects that will gradually develop and improve our manpower.

The meeting was held at BNDE headquarters in Rio de Janeiro.

Chamber of Deputies Vice President Appointed

PY0111122888 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 1 Nov 88

[Summary] Deputy Mauricio Campos, representative of the PFL for Minas Gerais State, has been elected first vice president of the Chamber of Deputies to replace Homero Santos, who has been sworn in as president of the National Accounting Office.

* Sarney Said Reluctant To Cut Incentives

WA33420003b Sao Paulo ISTOE in Portuguese 14 Sep 88 pp 40, 41

[Article by Marizete Mundim]

[Text] Beneficence rhymes with election. With an eye on the ballot box, Sarney unpoetically hesitates to cut fiscal privileges.

The government has now begun the second round of negotiations and distribution of accounts to make sure that government spending falls within the federal income. With the general budget finalized 2 weeks ago giving a higher figure for the federal accounts than that anticipated by our officials working in conjunction with the IMF, experts of the economic sector are pondering

over the budgets of the state-run firms and the radiograph of the so-called fiscal report, that is, over the amount of income in taxes which the government failed to receive due to the enormous list of fiscal incentives granted to the private sector and to the northern and northeastern areas. Cuts in allocations to state-run firms, subsidies and fiscal incentives would depend on whether or not the overall expenditures for those items would fall within 2 percent of the GDP for 1989.

But the budgets of state-run firms presented last week in their initial version to President Sarney by Planning Minister Joao Baptista de Abreu and Treasury Minister Mailson da Nobrega already surpass 2 percent of the GDP, with expenditures exceeding income by CZ$1.2 trillion (at June prices). And the report of the loss of income through fiscal incentives and subsidies now being prepared by the Treasury Department indicates a loss of CZ$1.7 trillion (approximately 709 million OTN [National Treasury Obligations]). All this money corresponds to a list of 132 kinds of fiscal incentives granted to juridical people, and their elimination pure and simple would reduce the public deficit to 0.4 percent of the GDP, therefore lower than the goal set with the IMF, which is 2 percent of the GDP.

But this possibility is out of the question. Its adoption by the government is bound to encounter difficulties of a political and legal nature. For example, the benefits promised to the northeast are predicated on the support of the politicians of that area and on business people of the south who moved industrial plants to the northeast upon being attracted there by the fiscal incentives. A reduction in the benefits granted to the areas of the SUDAM [Superintendency for Developing the Amazon Region] and SUDENE [Superintendency for Development of the Northeast] is made difficult in turn by legal obstacles. A few days ago President Sarney signed a bill extending the tax exemption privilege of companies in those areas for another 5 years; that privilege is to expire in 1988.

Last Thursday, Mailson da Nobrega made it clear that the unpublished report of the costs shown in the fiscal statement was not aimed at producing immediate government decisions. "In the last meeting of the Economic Development Council (CDE) on 16 May, the government promised to include provision for the incentives in the budget. We have kept that promise," the minister said.

The minister advised that a work group will be established to make a "judicious evaluation of each of the 132 subsidies with the objective of determining its cost versus its benefit." Those which are no longer valid will be added to a list for ultimate elimination, the list to be presented to the president at an opportune time. Mailson da Nobrega did not deny that the budget for next year, as approved, will not be sufficient to contain the public deficit within 2 percent of the GDP as promised to the IMF. But he avoided supporting the elimination of the incentives as an ideal solution to the problem. He discreetly favored the following solutions: increased income (through higher taxes), a reduction in incentives and new spending cuts. Spending cuts would surely be partially implemented through the federal pay roll. The economic ministers finally admitted the obvious: Solutions for the crisis exist, but they are not feasible in that they end up being subordinated to political criteria. "Their fate is confinement in the limbo of the Planalto Palace," said a government economist ironically.

The latest example of the impracticality of making a change concerns precisely the proposal to reduce fiscal incentives. According to the study made by the Planning and Treasury Ministries, it is in the area of investment funds for the north and northeast (FINAM [Amazon Region Investment Fund] and FINOR [Northeast Investment Fund]) and Sectorial-FISET investment funds (reforestation, fishing and tourism) that we find the biggest tax exemption. To give an idea, in 1989 the government will fail to collect 145 million OTN with these incentives. And the worst part is that there is no way to revoke them immediately, since a bill signed by Sarney has extended the granting of those incenetives until 1993.

Those funds are built up by allocating 25 percent of the income tax of the companies which agreed to devote that percentage to the area's industry. The studies made by Nobrega and Abreu point out the inefficacy of this incentive. According to one of the experts who made those studies, "it is clear that most of the funds in question end up being invested in branches of the privileged firms and do not fulfill the objective of promoting regional development."

The total exemption of income tax for 10 years as granted to industries which become established in the SUDAM and SUDENE areas and which, at the end of that time, is somewhat prolonged at a rate of taxation of 6 percent of the IR [income tax] (whereas in other areas a 35 percent factor is applied) was also criticized by the economic team. Those experts determined that the money applied to the northeast fund and the reduction in taxes enjoyed by certain firms represent a loss of income of more than 83 million OTN. They also concluded that the current incentives for investment in the northern part of the country (including those of the Amazonia fund and the exemption or reduction in income taxes) provide benefits equivalent to 65 million OTN.

However, the economic evidence is in direct opposition to the political reality. Although convinced about the need to cut unjustified incentives, Sarney is disinclined to do so for the simple reason that the decision would saddle him with an immeasurable political burden on the eve of municipal elections. The president would very probably veto any suggestion to eliminate or reduce fiscal incentives now enjoyed by the northeast.

It is quite true that the detailed study on incentives—the first carried out since the Proclamation of the Republic—ordered by Sarney himself. But it is also true that, since giving that order, he has made it clear that the results of that fiscal report would not lead to any heroic decisions. According to a politician close to him, Sarney promised to make an effort to harmonize his political decisions with the arithmetic problem of the nation's accounts. Nothing more.

Record Discount on Foreign Debt Conversion
PY0111154088 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Oct 88 p B-10

[By Rodney Vergili]

[Excerpts] During the 8th foreign debt conversion auction, held on 27 October at the Extreme South Stock Exchange in Porto Alegre (Rio Grande do Sul), discounts in areas without government fiscal incentives (38 percent) and in areas where investments benefit from fiscal incentives (16.5 percent), scored record figures. [passage omitted]

According to Central Bank data, the foreign debt has been reduced by $5.23 billion by converting debt into investments. Of that total, $1.47 billion in reductions has come through the eight foreign debt conversion auctions held so far. Olimpo Ferreira de Almeida, head of the Central Bank's Foreign Capital Registration Department, has noted that the reduction of $5.23 billion in foreign debt is significant if compared to the $69-billion foreign debt Brazil has with private creditor banks. [passage omitted]

According to Ferreira de Almeida, the Central Bank will not suspend the next foreign debt conversion auctions, scheduled for November (Rio de Janeiro Stock Market), for December (Sao Paulo), and January 1989 (Fortaleza).

Rumors of the possible suspension of the auctions circulated among the financial authorities at the auction yesterday. Almeida got in contact with Central Bank President Elmo de Araujo, who ordered that the bank experts deny the rumors about the suspension of the auction and about a possible reduction of the sum to be converted each month from $150 million to $60 million.

New Basic, Minimum Reference Salaries Approved
PY0111001188 Brasilia Domestic Service in Spanish 2100 GMT 31 Oct 88

[By reporter Irineu Tamanini from Planalto Palace]

[Text] The new basic salary, which will become effective throughout Brazil as of tomorrow, is 30,800 cruzados.

The appropriate decree, establishing the new basic salary, was signed today by President Jose Sarney. The new basic salary was announced today by presidential Press Secretary Carlos Zarur.

[Begin Zarur recording] The new basic salary decree was signed a few minutes ago by President Jose Sarney. The new basic salary is 30,800 cruzados and will be implemented tomorrow.

In the same decree, the president established that the new minimum reference salary will total 20,476 cruzados and that it will also be implemented tomorrow. [end recording]

Therefore, the new basic salary that will be implemented tomorrow, 1 November, is 30,800 cruzados.

Chile

PDC's Aylwin Refutes Pinochet's Charges
PY0211113388 Buenos Aires TELAM in Spanish 2250 GMT 31 Oct 88

[Excerpts] Santiago, Chile, 31 Oct (TELAM-ANSA)—While Patricio Aylwin, spokesman of the 16 parties for democracy, has categorically rejected charges stating that dissident sectors are creating conditions to perpetrate another attack against General Augusto Pinochet, the Chilean president said he has "specific" evidence about a plan to kill him.

Aylwin, opposition leader and president of the Christian Democratic Party, has stated that Pinochet's charges show his destructive mind. He added: He is blaming us for something that has never crossed our minds. His expressions represent the voice of his conscience, which is tortured by the contradiction of having to realize that he was repudiated by the Chilean people, but refusing to admit this fact.

Aylwin thus answered charges made by Pinochet during a tour of the northeastern region of the country when he said that the opposition's efforts to isolate him from every-day life "may even lead to my physical elimination." [passage omitted]

Answering Pinochet, Aylwin said: "There is nothing worse than he who pretends not to hear. We have been very clear when we said we do not want to promote a rupture with the system; we do not want violence, we do not want terrorism. We want to achieve an agreement to establish a path to restore democracy."

Regarding Pinochet's charges that by describing him as an "obstacle," the opposition is creating conditions for an attack against him, Aylwin said the opposition "has issued a call for peace and understanding, while Pinochet wants to continue to implement the same war-like atmosphere he has imposed in the country throughout these 15 years and which the country rejected in the 5 october plebiscite."

Aylwin added that Pinochet's attitude shows that he really does not want Chileans to achieve an understanding; that he continues to make calculations by saying he

obtained 43 percent of the vote in the plebiscite, he alledges that the tables can turn. He does not realize that today he would be unable to obtain even 30 percent of the vote.

Attorney General Accuses Communist Party, FPMR
PY0111172088 Santiago EL MERCURIO in Spanish 26 Oct 88 p A-12

[Text] Attorney General Ambrosio Rodriguez reported yesterday that the Communist Party of Chile [PCCh] and the Manuel Rodriguez Patriotic Front [FPMR] have agreed to scrap their policy of conducting opportunistic subversive actions and to replace it with a plan for medium- and long-range insurrection aimed at destroying the institutional process of the country.

He said that the insurrectional plan will not conclude with the ousting of the current regime, but will be aimed at making structural changes regardless of who heads the future government, because "once within the institutional system the FPMR will always be there as an insurrectional force to confront the government."

Ambrosio Rodriguez called on the people to remain calm, because the subersive actions will be repressed through full enforcement of the law.

Rodriguez gave a news conference yesterday in his office in La Moneda Palace to refer to the latest terrorist activities of the FMPR. He said that the range of the latest violent actions were defined in the testimony of two subversives who are under arrest, Vasily Carrillo and Victor Diaz Caro, who proposed the end of the FPMR truce on 5 October and the beginning of a National Patriotic War or a Prolonged Popular War.

Rodriguez reported the conclusions of the FPMR regarding the National Patriotic War, as published in FPMR bulletin 33 last June in Buenos Aires. Rodriguez explained that the PCCh and the FPMR are planning the preparation of the necessary forces for that war and that this planning implies that they do not have enough resources to carry out their plan.

The agreement also indicates that coordinated terrorist actions will be carried out in subordination to the political insurrection, which is the basic purpose of this terrorist organization.

The structure of the FPMR was decentralized so that its groups could operate throughout the country. Rodriguez also said that the actions in rural areas do not indicate a Che Guevara style guerrilla action, but a Sandinist doctrine by which the vanguard forces are in permanent contact with the urban areas.

Rodriguez added that because the FPMR does not have the capability to conduct an armed struggle, it will conduct a propaganda campaign. He added that the FPMR's aim is to overthrow the government by confronting it on all fields.

Rodriguez also said that according to an "evaluation made of the political agreement between the PCCh and the FPMR, the struggle does not conclude with the end of the current government, but proposes to continue medium- and long- range insurrection against a future government, regardless of who heads it."

Rodriguez added: "Their action is not directed against this government only; they go beyond that. They want a change of regime. It does not matter who heads the future government, because once within the institutional system the FPMR will always be there as an insurrectional force to confront the government."

He added: "The important thing is not so much that subversive action is being planned for rural areas, a fact we regret and oppose, but that they they can also operate in that zone."

Rodriguez also said: "The really interesting fact is that the PCCh and the FPMR have agreed to scrap their policy of conducting what they call in their internal jargon a policy of opportunistic subversive actions and to replace it with a plan for medium-and long-range insurrection."

Rodriguez pointed out that this evaluation fully agrees with the comments made by national and foreign spokesmen when an arsenal was found in Carrizal. He mentioned the statement made by the U.S. secretary of state in Costa Rica, who said that those weapons were to be used not against the current government but against the next one.

Rodriguez concluded by saying that the latest acts of violence "are not taking us by surprise; on the contrary, all government officials in the country are fully exercising their rights to prevent acts of political violence and savagery."

PRCh Says Group of 8 Supports Opposition
PY2810164088 Madrid EFE in Spanish 2212 GMT 27 Oct 88

[Text] Punta del Este, Uruguay, 27 Oct (EFE)—Enrique Silva Cima, of the Chilean Radical Party (PRCh), today said that the presidents attending the Group of Eight "summit" in Punta del Este support the Chilean "Command for the No-Vote."

Silva Cima pointed out: "The democratic presidents support us because we are the great majority in Chile, no matter what General Pinochet may say."

The PRCh leader was the first politician interviewed during the press conference granted by the Chilean opposition leaders. In the conference, the leaders ratified the "unity" of the 16 political parties comprising the "Command for the No-Vote."

The leaders agreed that a democratic Chilean Government must take part in the mechanism for consultation and political accord known as the Group of Eight.

Luis Maira, a leader of the Christian left, said the coalition of opposition parties will appoint a single presidential candidate "in mid-November at the latest."

Maira said that the "Command for the No-Vote" is finishing its evaluation period following the 5 October plebiscite.

The delegation of the "Command for the No-Vote," which is headed by Christian Democratic Party Gabriel Valdes, has come to Punta del Este "to report on their difficulties, and to exchange ideas" with the presidents who are attending the Group of Eight "summit," Democratic People's Party Rosario Lagos said.

Lagos emphasized that the possibility of holding talks with Pinochet's regime "is not imminent." He added: "We are sure, however, that we will be able to start within a reasonable period of time."

Lagos said that he is in favor of "carefully manipulating the fear which is worrying those who must leave power," alluding to Pinochet, "and harmonize it with the anxiety of those who come to power."

"Our moderation should not be mistaken for weakness," Lagos said. Lagos then announced that the "Command for the No-vote" will insist on the need to modify the 1980 Constitution, which he termed as "antidemocratic," and "imposed by the dictatorship."

Among other articles of the Constitution, the Chilean opposition coalition rejects the authority given to the Armed Forces to appoint one third of the members of the Senate. The coalition also calls for presidential elections before 14 December 1989 as established in the Constitution.

Gabriel Valdes reported that the Chilean opposition delegation attended the Group of Eight Meeting opening ceremony at the invitation of Uruguayan President Julio Maria Sanguinetti.

The "Command for the No-Vote" leaders met with Sanguinetti and President Alfonsin, and had "informal contact" with the members of the Brazilian, Colombian, Mexican, Peruvian, and Venezuelan delegations also attending, as members of the Group of Eight, the Punta del Este "summit."

Police Arrest Journalist; Another Sentenced

PY0211010688 Santiago FORTIN MAPOCHO in Spanish 27 Oct 88 p 24

[Text] Coihaique—At dawn yesterday Investigative Police personnel arrested Radio Ventisqueros Director Jorge Diaz Guzman. Diaz was booked as a common criminal and placed at the disposal of Military Prosecutor Hernan Nunez, who ordered his imprisonment.

Lawyers filed a writ of habeas corpus on Diaz' behalf. He was then ordered to be released on bail, subject to consultation with the Santiago Military court.

Including Diaz, the number of Chilean journalists who have been prosecuted by the military court is 50.

The journalist is charged with offending Carabineros during the incidents that occurred on the eve of the plebiscite when people who were participating in a pan-beating demonstration were attacked by Carabineros.

Diaz and social leader Noel Neira were beaten and arrested by Carabineros as they were assisting and taking those injured to the hospital.

APSI Journalist Sentenced

PY0111230188 Santiago FORTIN MAPOCHO in Spanish 27 Oct 88 p 24

[Text] At a lower court, Sergio Marras Vega, deputy director of APSI magazine, has been sentenced to a 3-year, 1-day prison term by the military prosecutor after being found guilty of offending the Armed Forces.

Colonel Ricardo Carrasco, head prosecutor of the Fourth Prosecutor General's Office, notified the journalist of the sentence. Carrasco sentenced Marras Vega for violation of Article 284 of the Military Justice Code.

Peruvian Fishing Boats Captured, Released

PY0111231288 Santiago LA TERCERA DE LA HORA in Spanish 27 Oct 88 p 12

[Text] Valparaiso—Admiral Gustavo Pfeifer, Merchant Navy and Naval Prefecture director general, told journalists that the Peruvian fishing boats "Contumasa I" and "Contumasa VI" have paid $3,000 in fees for having been found 1.5 miles within Chilean territorial waters on 21 October.

The fishing boats were stopped by the Chilean patrol ship "Antuco," and taken to the Arica port, where their cargo was seized. The nearly 20 tons of fish were given to Arica charity institutions. The cargo, which could not be used for direct consumption, such as the anchovies, was delivered to Chilean fishing companies, that paid for them to the Arica municipality. In addition to losing their cargos, each Peruvian fishing boat had to pay a $3,000 fine to the Arica office of the National General Treasury.

The fishing boats, with a combined crew of 27, were finally escorted by the "Antuco" patrol boat back to the territorial limit and released. Pfeifer pointed out that the conflict was solved at the Naval Prefecture level, without creating any diplomatic problems.

Soviet Fishing Vessel To Arrive in Valparaiso

PY2810183488 Santiago Domestic Service in Spanish 1600 GMT 28 Oct 88

[Text] A soviet fishing vessel will be compelled to dock at the port of Valparaiso this afternoon because one of its crew is suffering from acute appendicitis.

The vessel "[Amorotuali] " has been authorized to dock at this port for humanitarian reasons, and is scheduled to arrive at approximately 1700.

Upon its arrival, the sick crew member will be taken to a hospital where he will undergo emergency surgery.

Colombia

CUT President Resigns Following Strike

PA0211004288 Madrid EFE in Spanish 0105 GMT 1 Nov 88

[Text] Bogota, 31 Oct, (EFE)—Jorge Carrillo, president of the United Workers Confederation (CUT) and former labor minister, resigned his post today and said the country's leftist political forces were attempting "to violate the principles of unionism."

Carrillo's resignation came 4 days after a general strike declared by the CUT, Colombia's largest labor organization, and two other labor organizations with a total of 1.5 million members. The government considered the strike a failure, but the CUT considered it a partial success. Three people were killed and several power poles were toppled during the strike.

Before the general strike, Carrillo, who is a member of the ruling Liberal Party, was pressured by his party and the government to call off the strike because, according to the government, it had political and not union purposes.

The strike coincided with a guerrilla offensive last week in which northern Colombia was blacked out; 40 of the 200 banana plantations in Uraba, in the northwest, were burned and destroyed; and 100 people were killed in fighting and ambushes in various parts of the country.

Carrillo, CUT president since 17 November 1986, explained his resignation in an open letter in which he said the Communist Party, the Patriotic Union (UP), the Popular Front, and To Fight movements "have made every effort to make the CUT the spearhead of their political purposes."

Carrillo said the strike was declared to demand wage increases, price freezes, and other economic benefits, "but the president preferred to pay the foreign debt."

Government Buys Military Goods From 3 Nations

PA3110181988 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 31 Oct 88

[Text] Colombia has purchased military equipment from Israel, Korea, and Brazil for $210 million, which is equivalent to about 63 billion pesos. The equipment will begin to arrive in the country in 15 days. Here are some of the details of what Defense Minister Rafael Samudio reported in a secret session to the Second Commission of the Chamber of Deputies:

[Begin recording] The assembly of the 13 Kfir C-2 planes for Colombia is being carried out at the Israeli Air Force hangars on the outskirts of Tel Aviv. The U.S.-made reactor turbines will arrive with zero flight hours, because their generation capacity has only been tested in the laboratories. The Kfir planes' take-off weight is 32,120 pounds, and it excels among similar planes in defense and attack features. Colombia purchased the planes because of the stagnation of the Mirage fleet after 18 years in service. The Mirage planes are now being modernized in Israel. When the 18 Mirage planes are ready to defend the national sovereignty, the Kfir planes will no longer be in operation, because they then will be modernized as the Mirage planes will have been.

Colombia also purchased speedboats to support the corvettes. The new speedboats equipped with missile launchers will be used to fight contraband and defend the fisheries resources. In addition, Colombia bought eight rocket batteries that can be installed in trucks and be operated by remote control. This equipment is presently within the scope of conventional weapons, of common use for infantry troops. To complement the renewal of its equipment, the Colombian Armed Forces purchased in Korea ammunition and implements for the troops. In less than 6 months, the only Colombian-made items Colombian soldiers will use will be underwear and the various uniforms. [end recording]

Two More Patriotic Union Leaders Killed

PA0111194788 Hamburg DPA in Spanish 1756 GMT 31 Oct 88

[Text] Bogota, 31 Oct (DPA)—It was reported today in Bogota that an alderman and a Patriotic Union (UP) regional leader were murdered a few hours ago in two new episodes of the "dirty war" going on in Colombia.

Carlos Riveros Bohorquez, UP alderman for the El Paujil Municipality, was killed today by unidentified men, who fired at him repeatedly while he was walking along one of El Paujil's streets in the violent southwestern Caqueta Department.

The incident took place a few hours after UP regional leader Alvaro Sanchez Espitia, 40 years old, was shot in Honda City while working at his gas station.

This year, 240 members of the UP—the largest Colombian left-wing organization—have been killed; roughly 900 members have been killed since the UP was created at the end of 1985.

11 Soldiers Killed in FARC Ambush in Meta

PA0111180988 Bogota Inravision Cadena 1 in Spanish 1730 GMT 1 Nov 88

[Text] The 31st FARC Front attacked a convoy of military engineers this morning in an area located between the municipalities of El Qastillo and Miravalle in Meta Department. The 7th Brigade based in Villavicencio reported that two noncommissioned officers and nine Engineering Battalion soldiers were killed and 20 troops were wounded in the ambush.

Rebels Sabotage Trans-Andean Oil Pipeline

PA3110231288 Bogota Emisoras Caracol Network in Spanish 1215 GMT 31 Oct 88

[Text] Bogota—The Colombian Municipality of [name indistinct], Putumayo Intendence, is facing a [word indistinct] emergency situation, because of a dynamite attack on the trans-Andean oil pipeline, which resulted in the spillage of over 3,000 barrels of oil. The oil spilled over [words indistinct] connected to the local water system.

According to preliminary reports, the destruction of a section of the southern Colombia oil pipeline, which is also used to pump Ecuadoran oil, caused the spillage of approximately 10,000 barrels of oil, of which at least 3,500 barrels ended up in the waters of the rivers that supply water for the municipal water system of [word indistinct].

Local authorities quickly stopped the oil from reaching the entrance to the water system, thus preventing the contamination of the water. In view of the presence of oil in the river that supplies the water to the area, however, the authorities recommended that area residents not drink the water until it is certain that the water has not been contaminated.

ECOPETROL [Colombian Petroleum Enterprise] units continued cleaning up the spilled oil on Sunday afternoon. This task will be resumed in a few minutes after a group of experts repairs the oil pipeline, one of the sections of which was severely damaged in the dynamite attack on the trans-Andean oil pipeline in [name indistinct].

Rebels Sabotage Energy System in Atlantic Region

PA3110221488 Bogota Emisoras Caracol Network in Spanish 1215 GMT 31 Oct 88

[Text] Barranquilla—A 45 percent cut in available electric power is currently in effect along the entire Colombian Atlantic coast. Today is the 5th day of the energy crisis in the Atlantic region, which was caused by the destruction of seven power towers of the national energy network.

Only four CORELCA [Electric Corporation of the Atlantic Coast] units are working and generating 440 megawatts, while other CORELCA units are facing many operational problems due to a lack of gas.

The Atlantic Hydroelectric Plant is generating approximately 70 megawatts. Atlantic Hydroelectric Plant Director Eduardo Velar de la Rosa estimated that the electricity rationing will continue for another 5 days until the power towers blown up by terrorists [words indistinct] are repaired.

Uruguay

Sanguinetti, Others Depart for PRC, Hong Kong

PY0211010888 Montevideo Radio Carve in Spanish 0000 GMT 2 Nov 88

[Excerpt] The president of the Republic left our country a few hours ago after a 30-minute delay. He is going east to visit the PRC and Hong Kong.

The head of state, accompanied by the economy and finance minister, Foreign Minister Barrios Tassano, and a group of 70 businessmen and 3 legislators, will arrive in Beijing on 4 November. [passage omitted]

Uruguayan Woman Reported Missing in Paraguay

PY2910115588 Montevideo Radio Carve in Spanish 0000 GMT 29 Oct 88

[Text] A Uruguayan woman is reportedly missing in Paraguay. According to a message received by Radio Carve, her name is Regina de Rodas, and she was detained on 15 October for defending human rights in Paraguay.

The group of mothers and relatives of detained and missing Uruguayans is calling on the people to join in a protest demonstration tomorrow in Cagancha square from 0800 to 2000. [as heard]

Venezuela

* Debt, Lack of Foreign Exchange Slow Growth

33480002c Caracas EL DIARIO DE CARACAS in Spanish 12 Sep 88 p 20

[Text] Venezuela has the feeling that it has been stopped at the threshold of a potential economic boom, because of debts that it finds increasingly difficult to withstand. Its foreign exchange income should amount to $10 billion this year (88 percent contributed by the oil sector); but at least $3.4 billion has been allocated for foreign debt service, the total of which amounts to $32 billion. At a price of an approximate deficit of $2 billion in the balance of payments, $8.7 billion will be distributed among importers; an insufficient amount for the business firms, facing the requirements of a domestic market at the height of expansion (the country's GDP increased 3 percent in 1987). Therefore, the business firms feel that their impetus has been curbed.

The exchange system established after "Black Friday" in February 1983 and changed several times since then is so inflexible that the importer has no maneuvering room: The foreign currency is provided by the government at a fixed rate of $1.00 per 14.50 bolivares, based on quotas assigned every 6 months. Once his quota has been depleted, the importer has no recourse other than participating in the legal free market for foreign currency; but for the rate for the latter, governed by the law of supply and demand, is prohibitive (nearly 35 bolivares per dollar at present), and rather volatile, because of the limited nature of this market.

The system has offered the advantage of preventing a slide in the currency such as the one that occurred in Mexico, which would have caused an inflationary spiral. To be sure, in 1987 inflation reached approximately 40 percent (as opposed to 15 percent in the previous years); but this hike was a result of price readjustments caused by the change in the official parity decided on at the end of 1986 to offset the drop in oil revenue. The system's greatest disadvantage, however, is that it stringently determines the level of activity for each business firm, and does so in a full phase of expansion, an expansion that is explained, paradoxically, by the foreign exchange shortage! This shortage made it impossible to import a large number of products, hence prompting many business firms to produce more or manufacture new products. Added to this was the discovery of exports stimulated by an exchange rate that was finally favorable.

The very strict monetary policy established at the end of 1987 for the purpose of curbing inflation and blocking speculation has created tensions. The banks have lacked liquidity since the Central Bank offered interest rates exceeding 20 percent for the deposits made in them, while the market rates vary between 10 and 12 percent. Savers remain discouraged, exacerbating the liquidity problem which, in turn, contributes to further curtailment of production.

For this reason everyone (political parties, management, unions, and people) blames the foreign exchange shortage for curbing growth, and stresses that this shortage is directly linked to the foreign debt service, which absorbs over 35 percent of the income from exports. A good debtor, Venezuela has always paid its interest on time, and has cut the total amount of its debt. But many in Caracas are beginning to think that this goodwill has limits, and are demanding, if not a moratorium, at least a renegotiation of the debt.

The unemployment rate (10 percent, officially) is not overly worrisome; the disturbing problem is the reduction in real income, in other words, the loss of purchasing power among the poorest classes, and the middle class as well. And yet this phenomenon is being accepted calmly and with some resignation; but, observers wonder, for how long?

* Serious Economic Problems Expected in 1989

33480002b Caracas EL UNIVERSAL in Spanish 14 Sep 88 Sec 2 p 7

[Text] Overwhelmed by the economic model theory that might possibly be adopted and established in Venezuela, our leaders and planners dread the market economy; perhaps this is because the market economy is based on principles of free individual and transactional initiative, meaning that it is also a type of liberalism severely criticized by socialists and populists, among others. But what is happening in today's world economy is more closely associated with the market theory than with that of the state controls postulated by socialism or that of the pretentious artificiality of populism.

Maxim Ross (a diligent professional in economics) is among those who criticize the socialist imperative in devising and executing economic plans and programs, just as he does conceited populism. Ross says: "We in Venezuela have not succeeded in adopting the adjustments program which involves the organization of a market economy because," he adds, "we obviously dread the market economy."

Apocalypse Now?

Maxim Ross believes that while this year, 1988, is economically difficult, 1989 will be worse; it will be the last of this decade, and the "toughest" of those we have experienced. Why?

"From the outset, a poor approach has been taken to the issue of negotiating and renegotiating the foreign debt. Perhaps if that renegotiation had been tied to the oil price level, or to a balanced proportion of the oil foreign currency revenue, the situation would have been better. But now we are stuck in a kind of dead end, with no easy way out. Our government and private leaders are still bound to myths that preclude their understanding how beneficial and feasible it would be to talk with the

Monetary Fund and to use the rights of access to this agency that the country has. And, possibly on account of this, we shall have more difficulties than we can deal with.

"For example, this year we shall have a fiscal deficit of no less than 30 billion bolivares. And I think that the balance of payments deficit will stand at $2.5 billion, with a devastating effect on international reserves.

"President Lusinchi's government has chosen to act through macroeconomic policies, basing its strategy on fiscal policy, balance of payments policy, and monetary policy; overlooking or rejecting the enormous advantages of microeconomics for a country's development. Because of having taken an erroneous direction, it has increased Venezuela's economic ills, and has further compromised the future; this is because, in addition to the external and internal debt, the next two governments that the country will have before December 1998 must also pay the 'social debt' that already has an immensely large total.

"1989 will be the most critical year of the last half century. We shall have problems with the entry of foreign currency, and with the balance of payments and international reserves. The fiscal deficit could total as much as 60 billion bolivares, and there may possibly be more inflation than has occurred to date. And if the next government allows itself to succumb to the populist temptation, the situation could be worse in future years.

"In any event, the next government will have to revise the fiscal budget, reprogram the foreign debt, and make severe adjustments in the economy. In 1989, it will have to reduce public investments and avoid the system of balancing the budget deficit through currency devaluation or internal debt."

Foreign Debt and Public Spending

Maxim Ross declares: "In the first place, if the external sector's situation and the foreign currency supply constitute the main restriction and the worst threat, insofar as the country's potential for economic growth is concerned, the new government will be faced with the same options that the last two had with regard to managing the external sector's imbalances. To be sure, it will be able to operate on two fronts: Either it affects the balance of payments running account, with a new devaluation or with a heightening of quantitative restrictions, or else it undertakes a new programming of the debt service payments so as to ease the pressure on capital account. Of course the policy plan that is ultimately selected will have to attack those two fronts, because a policy program that fails to attack the problems relating to running account is unthinkable over the short term. Nevertheless, what is important is where the stress is placed.

"The policy plan pursued thus far is a good guide for indicating the course of action to be adopted. Up until now, the widespread conviction in public administration circles has identified the origin of the country's problems, especially that of the foreign debt service, in capital account. It has been repeatedly claimed that the problem lies in capital account rather than in current account. In a way, the combined public policies implemented since the February 1983 crisis are a result of this widespread conviction. The policy formula seems quite simple: reprogram the debt payments because, in the government's opinion, this is a strictly cyclical problem, and impose severe restrictions on imports so as to ration the foreign currency supply.

"At the risk of exaggerating, one might say that the measures aimed at current account have been accessories to what has been the pivotal point of the adjustment program: the reprogramming of the foreign debt payments. For this reason, we might expect the next government to continue along that same path. On the other hand, the experience from the devaluations that the monetary unit has undergone since 1983 appears to indicate that they have been of little help in improving the competitiveness of the Venezuelan economy. The identification of that problem, of which there is often an erroneous assessment on the part of the public policymakers, has quite readily caused the capital account front to prove more attractive. We could construct a series of policy alternatives; at one extreme might be what we term a structural reforms program, and at the other might be a traditional program that would use refinancing of the foreign debt as an ideal strategic variable. We consider it most likely that the next government will lean toward this latter extreme.

"In light of the speeches made by the presidential candidates of the two leading political parties, it is very difficult to guess about concrete economic policy programs. If, as we have noted, the most important restriction is on the side of the external sector, and the tradition in economic policy is resistant to structural changes, the first thing that the next government will probably do is to reprogram the foreign debt payments. That seems clear to Carlos Andres Perez and, in this respect, he has aimed his criticism at the position adopted by President Lusinchi's administration."

An Alternative

Assuming that the new government will lean toward that alternative, what might happen if it moves toward renegotiation of the foreign debt?

Ross says: "First, let's look at the foreign debt problem and its impact on the predictions of our model. According to the most reliable projections in this area, the public debt service will amount to nearly $3.2 billion for this year of 1988, $3.6 billion for 1989, and almost $4 billion for 1990. This represents percentages exceeding 40 percent of our oil exports. Between two extreme alternatives, one that would maintain the current agreements, and another that would put a ceiling on the debt service as a percentage of our oil exports amounting to

20 percent, let's say, other methods based on the reestablishment of the capital flow toward the nation's economy could be studied. In this connection, a radical, moratorium-type measure, or even one making payments contingent on a percentage of oil exports, which would mean a reduction of nearly $1.9 billion in the service, could prove unattractive if it had a negative effect on the flow of foreign credit.

"Obviously, the reduction in the debt service could make it possible to finance a level of imports compatible with a path toward growth such as the one noted previously. However, even though something like that might be achieved, the impact that it might have on access to the international market could counteract the reduction in the service; this is especially the case when one realizes that about 25 percent of the imports have been financed with credit lines from international banks."

Ross concludes by saying: "The experience of the Latin American countries has been very clear-cut in this respect. In fact, refinancing agreements better than the Venezuelan one could be achieved; however, with the exception of Mexico, for very special reasons, both political and geographical, access to new credit is particularly difficult.

"For this reason, a more viable alternative would be provided by an agreement making it possible to maintain that flow of credit even though it might not substantially reduce the debt service. It is noteworthy that, despite the strong political resistance that exists in this regard, the country could procure from the International Monetary Fund about $1.5 billion that would constitute an alternative to the reprogramming of payments.

"Dealing with alternatives of this kind cannot be considered apart from the options proposed by the next government in the realm of policies for incentives to the domestic production system.

"As we have said, the solution to the problems in the external sector using the method of reducing the level of imports would have very detrimental effects on the rate of expansion in economic activity. And the next government would surely be extremely resistant to starting in this way; so, it will most likely insist on the debt."

'Massacre' of Alleged Guerrillas Questioned

PA0111181388 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 1 Nov 88

[Report by Carlos Alberto Chica]

[Excerpts] The Venezuelan Government today ordered a thorough investigation into the deaths of 16 people at the Colombian-Venezuelan border. The Venezuelan Army apparently killed a group of fishermen, mistaking them for guerrillas.

The veracity of military reports widely disseminated in Caracas newspapers was questioned today in Colombia and Venezuela. Doubts surfaced when Venezuelans who said they were related to the victims reported the incident as a massacre, testifying that the victims were peaceful, well-known Venezuelan fishermen.

Dozens of indignant Venezuelans this morning virtually started a mutiny against the Army and police in the border town of El Amparo to prevent survivors from being kept away from journalists and military investigators.

The relatives suspect that in order to avoid blame for the massacre, the Armed Forces intentionally exhibited the corpses along with selected war materiel to reinforce the idea that the dead were guerrillas. [passage omitted]

According to military reports published in the newspapers, the Army of National Liberation, ELN, admitted that its forces had clashed with the Venezuelan Army, but claimed to have sustained 3, not 14, casualties.

According to the same sources, the ELN had threatened to attack military positions in Venezuela, which prompted the Venezuelan Defense Ministry to reinforce patrolling at the border area.